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Question of Cyprus

Security Council
Sixty-first year

Letter dated 29 November 2006 from the Permanent Representative of Turkey to the United Nations addressed to the Secretary-General

I have the honour to transmit herewith a letter dated 29 November 2006, addressed to you by Kemal Gökeri, Representative of the Turkish Republic of Northern Cyprus, forwarding the letter of Mehmet Ali Talat, President of the Turkish Republic of Northern Cyprus (see annex).

I should be grateful if the text of Mr. Talat's letter could be circulated as a document of the General Assembly under agenda item 19, and of the Security Council.

(*Signed*) Baki İlkin
Ambassador
Permanent Representative

06-63607 (E) 051206

Annex to the letter dated 29 November 2006 from the Permanent Representative of Turkey to the United Nations addressed to the Secretary-General

I have the honour to convey herewith a copy of the letter dated 29 November 2006 addressed to you by Mehmet Ali Talat, President of the Turkish Republic of Northern Cyprus (see enclosure).

I would be grateful if the text of the present letter and its enclosure could be circulated as a document of the General Assembly, under agenda item 19, and of the Security Council.

(*Signed*) M. Kemal **Gökeri**
Representative
Turkish Republic of Northern Cyprus

Enclosure

Further to my letter (S/2005/666) dated 12 October 2005 concerning the rising trend of racism, chauvinism and ultra-nationalism among the Greek Cypriots, the fast deteriorating situation and the reflection of this trend in the form of maltreatment of the Turkish Cypriots visiting South Cyprus, has prompted me to bring again to your kind attention the following concerns of the Turkish Cypriot side.

As you would recall, the reply to my previous letter came through the letter (S/2005/722) of the Greek Cypriot representative in New York dated 16 November 2005. Ironically, instead of treating the content of my correspondence seriously and taking necessary measures in preventing racist attitudes in South Cyprus, the said administration has opted to choose to deny the content of my letter and alleged that it contained suspicious and groundless assertions. Since that time, the maltreatment of Turkish Cypriots visiting South Cyprus, which has been increasing in an alarming manner, has unfortunately corroborated the content and main thrust of my letter. We do not witness a day passing without an attack or harassment of the Turkish Cypriots by the Greek Cypriot authorities and civilians. On the contrary, I would also like to remind you again with pleasure that since the inception of the reciprocal crossings, almost no incident against the Greek Cypriots visiting the Turkish Cypriot side has been witnessed.

Some examples of the continuing Greek Cypriot policy of cruel, inhuman or degrading treatment of the Turkish Cypriots which can be described as the tip of the iceberg are listed below. There exist dozens of other similar cases which are well documented but not included in this letter for reasons of practicality and brevity.

At the outset, it is interesting to note that one of the victims of such attacks has been bi-communal events designed to contribute to the confidence building between the Turkish Cypriots and the Greek Cypriots. On 18 January 2006, a bi-communal event, Together for Peace, organized at the Melina Mercouri hall by the DISY (Greek Cypriot main opposition party) and the Republican Turkish Party and United Forces (main coalition party of the Turkish Cypriot government) on the Greek side of Nicosia, was first disrupted when a Greek speaking man phoned the Greek Cypriot private television station Sigma asserting that there was a bomb at the venue. The bomb squad arrived on the scene to investigate, but the information turned out to be a hoax. However, it was discovered that thirteen car tires had been slashed and leaflets with written obscenities were also stuck to cars. It is interesting to note that the Greek Cypriot leader, Mr. Tassos Papadopoulos, condemned this vandalism two days later, only after intense criticism directed from the Greek Cypriot main opposition party DISY. (Greek Cypriot daily, *Cyprus Mail*, 21 January 2006)

On 13 February 2006 again another bi-communal event organized by the Cyprus Literature Union and dedicated to the Turkish Cypriot poetry fell victim to the vandals. This time four cars had their tires slashed, two belonging to two Turkish Cypriots, one to a Greek Cypriot and one to the Bulgarian Embassy. (Greek Cypriot daily, *Cyprus Mail*, 15 February 2006)

On 27 June 2006, Mr. Osman Sarper, a Turkish Cypriot architect was arrested by the Greek Cypriot police while crossing to South Cyprus through the Metehan (Ayios Dhometios) checkpoint for possessing building plans and documents related to land, which was claimed to be formerly owned by the Greek Cypriots. After eight days of detention, Mr. Sarper was brought before the Greek Cypriot Nicosia District Court and despite the medical reports stating that he had some serious heart problems; he was kept in jail for

seven more days. Furthermore, the Greek Cypriot administration refused the medical examination of Mr. Osman Sarper by his Turkish Cypriot doctor from North Cyprus. Deterioration of his health and intensive protests of the family and the Turkish Cypriot non-governmental organizations, forced the Greek Cypriot administration to release Mr. Sarper on bail on 11 July 2006. Here, it should also be noted that the property issue stands at the core of the Cyprus problem and it is one of the core issues to be dealt with within the context of full-fledged negotiations aimed at a comprehensive settlement. No doubt, such attempts are deteriorating further the confidence between the two sides. However, many other Turkish Cypriots are still being detained and harassed by the Greek Cypriot police for the same reason.

A minor but a serious discriminatory treatment that a group of Turkish Cypriots have encountered at a restaurant in Lefkara, South Cyprus, is a further indication of the rising trend of ultra-nationalism among the Greek Cypriots. On 3 September 2006, a group of Turkish Cypriots, who were visiting Lefkara, went to a coffee shop to have a drink. Despite the fact that the waiter of the restaurant, who was also the owner, were serving other customers present there, the Turkish Cypriots waited a long time without being asked what they wanted to have. Moreover, when they asked for a cup of coffee, the owner of the coffee shop refused to serve and told them that *"Turkish Cypriots cannot have coffee here."* (Turkish Cypriot daily, *Kıbrıs*, 5 September 2006 – Greek Cypriot newspaper, *Sunday Mail*, 26 November 2006)

On 11 September 2006, Mr. Murat Kanatlı, a journalist and the editor of the Turkish Cypriot newspaper *Yeniçağ*, an ardent supporter of unification in the island, was subjected to a humiliating search by a Greek Cypriot customs officer while passing to South Cyprus at the Ledra Palace checkpoint. According to an article published at the Greek Cypriot daily *Cyprus Mail* dated 13 September 2006, despite the fact that Mr. Kanatlı showed the customs officer his press card issued by the "Cyprus Journalists' Union", the officer not only continued to search his personal notes but also humiliated him by telling him that he was looking for ecstasy drugs. When Mr. Kanatlı said to the officer he requested to speak to the director, the officer responded by saying if Mr. Kanatlı had a complaint he would be the one he should apply to.

The Turkish daily newspaper *Cumhuriyet* dated 21 September 2006, reported that Mr. Ozan Ceyhun, former member of the European Parliament and the member of the German Social Democratic Party, was assaulted by eight Greek Cypriot youngsters in front of the Hilton Hotel situated at the Greek Cypriot part of Nicosia while traveling in a taxi carrying Turkish Cypriot number plates. Mr. Ceyhun also told the newspaper that apart from attacking the taxi, the perpetrators also spat on the face of the Turkish Cypriot driver. The Turkish Cypriot columnist, Mr. Başaran Düzgün, another well known journalist for his articles favoring the unification of Cyprus, in his article published in the Turkish Cypriot daily *Kıbrıs* dated 22 September 2006, commented that most of the attacks to the Turkish Cypriots by the ultra-nationalist Greek Cypriots occur at the vicinity of the Hilton Hotel and despite the ongoing appeals of the victims, the Greek Cypriot police still refrain from taking the necessary measures in that area.

On 15 November 2006, Ms. Sevgül Uludağ, a well known journalist and researcher, who is writing articles for the rapprochement of the Turkish Cypriots and the Greek Cypriots and also about missing persons issue in Cyprus, has been physically attacked and verbally insulted by the members of the Greek Cypriot ultra-nationalist group Chrysi Avghi (Golden Dawn), while crossing from the Ledra Palace checkpoint. The same group also damaged the car of Mr. Aziz Ener, another Turkish Cypriot pro-unification journalist, with iron sticks and verbally insulted other Turkish Cypriots passing through the checkpoint. As

a result of these attacks, the crossing through the Ledra Palace checkpoint was temporarily halted. (Turkish Cypriot daily, *Yenidüzen*, 16 November 2006)

Most alarmingly, on 22 November 2006, about 15-20 racist Greek Cypriot youngsters, believed to be members of the Greek Cypriot ultra-nationalist group National Voice of Youth with a Greek Soul (EFEN), all wearing masks and armed with planks of wood, entered the grounds of the English School (situated at the Greek Cypriot side of Nicosia) during recess, located a group of Turkish Cypriot students and beat them up. The President of the English School Union said that this would not have happened if some newspapers (Greek Cypriot) had not provoked a minor incident occurred before between a Turkish Cypriot student and a Greek Cypriot student from the same school regarding wearing religious symbols. (All the Turkish Cypriot and Greek Cypriot newspapers dated 22 and 23 November 2006 covered the attack intensively, most of them in their first pages). In this context, I would like to stress that after all these attacks perpetrated by the members of the Greek Cypriot ultra-nationalist groups, it is also hard to understand why the Greek Cypriot leadership is still refraining to take preventive measures towards this racist establishments.

Although the Greek Cypriot leader, Mr. Tassos Papadopoulos was compelled to condemn the attack, describe it as a criminal act and state that religious criteria had never been the reason or cause for conflict between the Turkish Cypriots and the Greek Cypriots, he tried to conceal the organized nature of this incident by describing the attackers merely as irresponsible troublemakers. However, the Stop the War Coalition – Cyprus, a bi-communal platform including the Turkish Cypriots and the Greek Cypriots, has described the incident at the English School as *"an organized attack by fascists against Turkish Cypriots."* (Greek Cypriot newspaper, *Sunday Mail*, 26 November 2006)

Furthermore, the statement which Mr. Papadopoulos had made during the opening ceremony of a monument in the memory of Greek Cypriot soldiers who lost their lives during the events in 1974 compels us to question his sincerity in his condemnation of the incident at the British School. According to the Greek Cypriot daily *Politis* dated 20 November 2006, during his speech at the ceremony, Papadopoulos said and I quote; *"The messages of heroism for those who lost their lives for their homeland shall not be silenced by the voices of the imams. (As Papadopoulos was delivering his speech, ezan could be heard from a mosque in the vicinity)."* It is a well known and undeniable fact in social sciences that prejudices against any religion often manifests itself in general negative attitudes, such as violence, harassment, discrimination and stereotyping in the societies. Such irresponsible and provocative statements given by the Greek Cypriot leadership would not only deteriorate the already fragile situation but would also cause a serious blow to the ongoing efforts of the UN to facilitate a comprehensive solution of the Cyprus problem. In this context, the European Network Against Racism (ENAR) shadow report published in 2005, entitled *Racism in Cyprus*, has made serious warnings to the Greek Cypriot administration and stated that; *"Islamophobia has always been present in Cyprus, to a lesser extent though, due to the Cyprus problem. However, it has now taken larger dimensions as anyone of Muslim religion is not only presumed to be a potential collaborator to Turkey but also a potential terrorist. This is shown by the Police's eagerness to arrest Muslim students and deport them on suspicion of membership to terrorist organizations without any particular examination of their case,..."*

Another absurd example showing the extent of the ultra-nationalist hysteria among the Greek Cypriots is related to tomatoes brought into South Cyprus from the Turkish Cypriot side. Although the EU Commission declared in its report [COM(2006)551] dated 25 September 2006 that tomatoes being traded through the Green Line Regulation were not originated from Turkey, the Greek Cypriot daily *Machi*, an ultra-nationalist newspaper, kept

abusing the issue by insisting that the tomatoes produced in Turkey were coming to South Cyprus through North and seriously endangering the health of the Greek Cypriots. Furthermore, the Minister of Agriculture, Natural Resources and Environment of the Greek Cypriot administration, Mr. Fotis Fotiou, even ordered the officers of his Ministry to check all the harbors and markets for Turkish tomatoes. (Greek Cypriot daily, *Phileleftheros*, dated 26 November 2006)

I am sure you will also agree with me that education is one of the most important aspects in shaping individuals, social institutions and society itself. In this context, the Turkish Cypriot side has taken a number of concrete steps designed to contribute to confidence building and mutual trust between the two sides in the island. Under the auspices of the Ministry of Education and Culture of the Turkish Republic of Northern Cyprus, the Turkish Cypriot side has unilaterally implemented a project for re-writing of history textbooks in order to eliminate enmity and hatred between the two peoples. However, it is disturbing and discouraging to observe the total lack of movement of the Greek Cypriot side on the issue, particularly in the light of extent of the nationalistic rhetoric against the Turkish Cypriot people contained in the textbooks. A well known Greek Cypriot scholar on education, Mr. Panayiotis Persianis, in his study entitled *Education in Cyprus in the Light of EU Accession* (published in Nicosia, 1996) noted that history of the Greek Cypriot education is a strong case of *"using education for political ends."* This analysis explains the reluctance of the Greek Cypriot leadership for removing the anti-Turkish nationalistic language from the textbooks.

Surveys carried out among the Greek Cypriot students by reliable Greek Cypriot sources clearly reveal how effective the education is in shaping the attitudes of the whole society in South Cyprus towards racist and ultra-nationalistic attitudes. Therefore, I deem it necessary to bring to your kind attention some of these studies, all of which were carried out by the Greek Cypriots.

A survey entitled "Racism and Xenophobia" that has been carried out among the Greek Cypriot high school students in South Cyprus revealed that 46.5% of the student population has racist views, with 14% admitting to be racist. According to the same study majority of the students believe that the Greek race and Orthodox sect of Christianity are the best in the world and 75.4% of the students would oppose the building of a mosque in their neighborhood. Furthermore, 86.5% of the Greek Cypriot children deny job opportunities to Turkish Cypriots. (Greek Cypriot daily, *Politis*, 6 March 2005)

A study conducted by the Cyprus Broadcasting Corporation of the Greek Cypriot administration among the public also revealed that 63% of Greek Cypriots within the age group of 18 – 24 are against the idea of living with Turkish Cypriots. (Greek Cypriot Daily, *Cyprus Mail*, 5 April 2006). This result is a clear confirmation of the anti-Turkish Cypriot feelings among the Greek Cypriot youth. A political analyst from South Cyprus, Mr. Louis Igoumenides had also stated in the same issue of the newspaper that *"It is unfortunately very apparent that schools on the island do promote nationalism to pupils from a very young age prompting young people nowadays to resent anyone that is not Greek or Christian"*.

Unfortunately, this anti-Turkish Cypriot feeling is not only confined among the Greek Cypriot youth. Another study that has been conducted by *Phileleftheros* newspaper among 11-12 year-old children in an elementary school to determine the views of the Greek Cypriot children concerning the Turkish Cypriots has shown parallel results. The newspaper stated that the results of the study indicated that the children are skeptical towards Turkish Cypriots; they define the Turkish Cypriots as bad and undesirable

outsiders and also blame them for the Cyprus problem. The results of the study also showed that the said children do not know much regarding the Turkish Cypriots and 62% of them said that when they see a Turkish Cypriot for the first time they get surprised since the image of a Turkish Cypriot in their mind is totally different. The children were also asked what they knew about Turkish Cypriots and what they felt towards them. 36% of the children expressed negative opinions concerning the Turkish Cypriots and defined them as "generally bad, poor, mean, filthy/sinful". The children also expressed that the Turkish Cypriots are ugly and of dark complexion, and the majority of the children stated that they hate the Turkish Cypriots. (Greek Cypriot daily, *Philelefiheros*, 30 July 2006)

In the letter of the Greek Cypriot representative in New York, dated 16 November 2005, it is also claimed that the Greek Cypriot administration is fully respecting the promotion and the protection of human rights in the island. However, the European Network Against Racism (ENAR) in its shadow report published in 2005 entitled *Racism in Cyprus* also states that *"Cyprus (Greek Cypriot administration) has very high scores on ratification of international human rights instruments, including antidiscrimination instruments and with regard to transposition Directives. The major problem however, is also the substance of the issue, is their effective implementation."* Moreover, the European Commission against Racism and Intolerance (ECRI) Third report on Cyprus adopted on 16 December 2005 has made a noteworthy advice to the Greek Cypriot administration and I quote: *"ECRI recommends that the Cypriot (Greek) authorities pay attention and address problems of racism and racial discrimination facing Turkish Cypriot citizens."* In the light of these serious warnings from two human rights institutions, the Greek Cypriot administration is not convincing when it depicts such offences as "minor" and "isolated" incidents and claims that it is respecting human rights.

As the incidents and the studies given above clearly indicate, the Greek Cypriot governmental policies are the main reason behind the rising trend of racism, xenophobia, ultra-nationalism and unfortunately Islamophobia in South Cyprus. In this respect, Mr. Nicos Trimiklionitis, the Director of the Cyprus Labor Institute, INEK-PEO and Director for the National Focal Point, (RAXEN), in his paper published in *The Cyprus Review* (Vol.15, Fall 2004 edition) described the governmental policies of the Greek Cypriot administration as *"institutional racism, underlying the whole legal and administration system."*

In view of the foregoing, I call on all the international community in general and the UN in particular to take urgent action for the abolition of all forms of racial and religious discrimination, cruel and inhuman treatment of the Turkish Cypriots, originating from the decades-old policies of the Greek Cypriot administration which seek to dominate the island at the expense of the Turkish Cypriot people.

The above-mentioned events covering the period between January 2006 - November 2006 are by no means exhaustive, I will continue to inform Your Excellency regularly on the account of the racist oriented events carried out in Southern Cyprus.

I should be grateful if you would have the present letter circulated as a document of the General Assembly, under the agenda item 19, and of the Security Council.

(*Signed*) Mehmet Ali **Talat**
President

United Nations A/61/603

General Assembly

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Sixty-first session
Agenda items 117 and 132

Programme budget for the biennium 2006-2007

Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Procurement Task Force

Report of the Secretary-General*

I. Introduction

1. Following the identification in mid-2005 of shortcomings in the United Nations Procurement Service, notably, breaches of financial regulations and rules in a number of procurement cases at Headquarters and in peacekeeping operations, the Office of Internal Oversight Services established a small working group in October 2005 to operate for three months to address a number of outstanding procurement cases. The associated recommendations addressed a number of critical areas that needed improvement, including internal controls and procurement procedures. In this connection, as reflected in the report of the Secretary-General of 14 June 2006 (A/60/846/Add.5 and Corr.1), prompt action has been taken to implement the recommendations of the Office of Internal Oversight Services expeditiously. At the same time, the Office considered that potential risks identified pertaining to the most critical of some 200 outstanding cases in the United Nations procurement activities were of large financial impact and were likely to cause damage to the financial integrity and, hence, the reputation of the Organization. As the investigation of high-risk cases in areas other than procurement could not be set aside so as to concentrate all existing Investigation Division resources solely on procurement cases, in order to mitigate those risks and to address problems effectively and comprehensively, the Office of Internal Oversight Services Procurement Task Force was established in January 2006 for the investigation of procurement activities. The present report covers the terms of reference and other arrangements related to the Procurement Task Force.

* The present report is being submitted at this time to reflect the latest available information.

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II. Terms of reference

2. The Procurement Task Force was initially tasked with conducting expanded investigations of the Procurement Service in order to resolve the outstanding questions. Its inquiries focused on matters related directly to the Procurement Service, given the identification of this area as a key management concern.

3. The Procurement Task Force was to examine and report on procurement cases (a) referred to the Office of Internal Oversight Services in October and November 2005; (b) developed by the Office of Internal Oversight Services Investigation Division working group since its creation in October 2005 and (c) received after 1 December 2005. Procurement Service cases were organized according to priority, with the cases of most significance and potential for greatest impact on the Procurement Service being assigned top priority. The Task Force was further to assign priority to cases involving (a) senior officials of the Procurement Service and the Department of Management and (b) allegations of wrongdoing by Procurement Service staff.

III. Outputs

4. The planned outputs of the Task Force are as follows:

(a) A strategic plan that provides a list of the Procurement Service priority cases to the Under-Secretary-General for Internal Oversight Services. The plan is to include an estimate of the time needed to complete the cases and a timetable for interim reports;

(b) Monthly interim reports to the Under-Secretary-General for Internal Oversight Services providing an update on each of the priority Procurement Service cases, including any change in status or timetable and an explanation;

(c) Additional interim reports on any significant development on individual cases;

(d) A draft final case report for the review and approval of the Under-Secretary-General for Internal Oversight Services. The Under-Secretary-General would decide which of these reports would be provided to management, and in what form, and which may be provided to the General Assembly;

(e) A Procurement Service corruption assessment report at the completion of the work of the Task Force.

IV. Status

5. The Procurement Task Force became fully operational in mid-2006, when a full complement of qualified investigators and forensic investigative experts were retained. Throughout 2006, the Task Force has focused primarily on matters related to staff members placed on administrative leave with pay. While these investigations constitute only a portion of the procurement-related matters in the inventory of the Procurement Task Force, they require the dedication of virtually all its investigators and experts. It should be noted that while a number of complex fraud investigation cases were completed within six months, such cases typically take several years.

6. The Task Force has several significant complex matters in its inventory of cases currently under investigation, including more than 20 complex cases that justify continued examination. Virtually all of these investigations involve a complex series of transactions, vendors and thousands of documents and require interviews with many witnesses around the world. Further, the Task Force relies upon the production of documents from various sources, as well as the cooperation of vendors, departments within the Organization and law enforcement and other investigative bodies outside the Organization.

7. Given the foregoing, it is expected that the work of the Task Force will be concluded on 31 December 2007, with any residual cases still to be investigated to be handled within the regular caseload of the Investigation Division during 2008-2009. Given the nature and scope of its activities, charges for the Procurement Task Force will be apportioned between the peacekeeping budgets and the regular budget on the basis of the nature of the cases and will be dealt with in the context of the related performance reports. Consequently, no additional appropriation is requested.

V. Action required of the General Assembly

8. **The General Assembly may wish to take note of the present report.**

United Nations A/61/604

General Assembly

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Sixty-first session
Agenda item 39
Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples

Letter dated 29 November 2006 from the Permanent Representative of Spain to the United Nations addressed to the Secretary-General

Please find herewith a copy of the letter which I have today sent to the Chairman of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples, concerning the consultation to be held in Gibraltar tomorrow, 30 November, on the new draft Constitution negotiated between the United Kingdom and representatives of the political parties in Gibraltar, explaining the position of the Spanish Government in this matter.

I should be grateful if you would circulate this letter and its annex as an official document of the sixty-first session of the General Assembly, under item 39 "Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples".

(*Signed*) Juan Antonio **Yáñez-Barnuevo**
Permanent Representative of Spain to the United Nations

06-64009 (E) 071206 071206

Annex to the letter dated 29 November 2006 from the Permanent Representative of Spain to the United Nations addressed to the Secretary-General

As you are doubtless aware, the authorities of Gibraltar, a territory which has been included since 1946 in the United Nations list of Non-Self-Governing Territories, have arranged for a consultation to be held on 30 November 2006 on the draft Constitution negotiated between the United Kingdom and representatives of the political parties in Gibraltar.

I have the honour to inform you of the position of the Government of Spain concerning this referendum, and to place on record its position regarding the nature of the referendum and its alleged significance in connection with the process of decolonization of Gibraltar.

The referendum is a purely local initiative, which concerns only the authorities of Gibraltar. It is moreover of doubtful legality, being based on administrative rules used for the referendum of 7 November 2002. Moreover, under the legislation of the United Kingdom the Government of Gibraltar has no authority to organize consultations of this kind.

Even if the new draft Constitution of Gibraltar were to be supported by a majority of those voting in the referendum, this would not per se give it legal force, since the legal and political requirement of subsequent promulgation through a United Kingdom decree (Order in Council) would inevitably arise. As your Committee has stated on numerous occasions, the legal procedure entailed by such a method of promulgation is of a manifestly colonial kind.

Although the United Kingdom Government, according to an answer given on 4 July 2006 to a parliamentary question, recognizes the referendum as an exercise of a presumed right of self-determination of the Gibraltarian people, it has also stated that this right is constrained by article X of the Treaty of Utrecht — which gives Spain the right of refusal should the United Kingdom decide to renounce sovereignty over Gibraltar — and by the purposes and principles of the United Nations Charter. The United Kingdom has also affirmed that the new Constitution gives Gibraltar "greater control over its internal affairs" without diminishing British sovereignty over the territory.

For all these reasons, I have to state that, in the opinion of the Spanish Government, nobody can claim that either the referendum or the draft Constitution itself in any way affect the ongoing process of decolonization, since the decolonization of Gibraltar has to be achieved by means of negotiations between Spain and the United Kingdom, as the General Assembly has repeatedly asserted year after year. This position was again confirmed in October this year in the draft decision on the question of Gibraltar, which was approved by consensus in the Fourth Committee and is to be adopted by the General Assembly in plenary in December.

Accept, Sir, the assurances of my highest consideration.

(*Signed*) Juan Antonio **Yáñez-Barnuevo**
Permanent Representative of Spain to the United Nations

United Nations A/61/605

General Assembly

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Sixty-first session
Agenda items 47 and 113

Integrated and coordinated implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic, social and related fields

Follow-up to the outcome of the Millennium Summit

Comprehensive review of governance and oversight within the United Nations and its funds, programmes and specialized agencies

Report of the Advisory Committee on Administrative and Budgetary Questions

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered the following reports:[1]

(a) Report of the Secretary-General transmitting the report of the Steering Committee on the Comprehensive Review of Governance and Oversight within the United Nations and its Funds, Programmes and Specialized Agencies (A/60/883);

(b) Report of the Steering Committee on the Comprehensive Review (A/60/883/Add.1 and 2);

(c) Report of the Secretary-General on investing in the United Nations: updated terms of reference for the Independent Audit Advisory Committee (A/60/846/Add.7);

(d) Report of the Office of Internal Oversight Services on proposals for strengthening the Office of Internal Oversight Services (A/60/901).

[1] The Committee also had before it the comments of the Joint Inspection Unit on the report of the Steering Committee on the Comprehensive Review (A/60/1004) and the report of the Secretary-General on accountability measures (A/61/546), as well as the report of the Joint Inspection Unit entitled "Oversight lacunae in the United Nations system" (see A/60/860), which the Steering Committee took into account in preparing its report (see A/60/883/Add.1, para. 42).

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During its consideration of the reports, the Advisory Committee met separately with the Audit Operations Committee, the Chairperson and Vice-Chairperson of the Joint Inspection Unit, the Under-Secretary-General for Internal Oversight Services and other representatives of the Secretary-General. The Advisory Committee also had an exchange of views with members of the Steering Committee.

2. The report of the Steering Committee was submitted pursuant to paragraph 164 (b) of General Assembly resolution 60/1, in which the Assembly requested the Secretary-General, within the context of the comprehensive review of governance arrangements, to submit an independent external evaluation of the auditing and oversight system of the United Nations, including the specialized agencies, and the roles and responsibilities of management, with due regard to the nature of the auditing and oversight bodies in question. In paragraph 164 (c) of that resolution, the Assembly also requested the Secretary-General to submit detailed proposals on the creation of an independent oversight advisory committee, including its mandate, composition, selection process and qualification of experts. It should be recalled that the Assembly had previously requested a governance review in its resolutions 57/278 A and 59/264 A.

3. As indicated in paragraph 3 of A/60/883, the Secretary-General established the independent Steering Committee for the Comprehensive Review, with a membership of six international experts in the areas of governance, oversight and management of international public bodies, to oversee the process. The technical work was carried out by consultants selected through an international competitive process (PricewaterhouseCooper, supported by Dalberg Global Development Advisors).

4. The Secretary-General's comments on the review are found in document A/60/883. The Office of Internal Oversight Services has commented separately in its report on proposals for strengthening the Office of Internal Oversight Services (A/60/901). The Secretary-General presents his observations on the conclusions of the Steering Committee relating to the Office of Internal Oversight Services in annex II to A/60/883.

II. Structure and content of the report of the Steering Committee

5. The Secretary-General transmitted the report of the Steering Committee to the General Assembly in A/60/883. The report (A/60/883/Add.1-2) consists of five volumes, as follows:

(a) Volume I: executive summary and project scope, background and context;

(b) Volume II: governance and oversight principles and practices;

(c) Volume III: governance: current United Nations practices, gap analysis and recommendations;

(d) Volume IV: oversight: current United Nations practices, gap analysis and recommendations;

(e) Volume V: review of the Office of Internal Oversight Services.

Volumes I to III are contained in A/60/883/Add.1 and volumes IV and V in A/60/883/Add.2. The parent document (A/60/883) contains comments by the Secretary-General and requests for action by the General Assembly.

6. As noted in volume I of the report of the Steering Committee, the review of governance and oversight was carried out in two phases, as follows:

(a) Phase 1: establishment of best practices and comparative analysis of governance and oversight structures of the United Nations and its funds, programmes and specialized agencies against identified best practices (gap analysis);

(b) Phase 2: recommendations on improving governance and oversight structures on the basis of a representative sample of United Nations entities[2] and identification of the costs and effectiveness of the recommended changes (see A/60/883/Add.1, para. 17).

The Steering Committee indicates that the analysis "describes the wider United Nations governance and oversight status from the perspective of the United Nations system as a whole but, for the specialized agencies, with an emphasis on oversight only" (A/60/883/Add.1, para. 23). The Steering Committee makes a total of 37 recommendations, 7 relating to governance, 7 to oversight and 23 to strengthening the Office of Internal Oversight Services.

7. It should be noted that, with regard to recommendation 3 of volume IV of the report of the Steering Committee, concerning the establishment of the Independent Audit Advisory Committee (IAAC), a separate report of the Secretary-General (A/60/846/Add.7) was submitted, containing updated terms of reference for IAAC, following additional consultations, with a view to recommending action by the General Assembly. The Advisory Committee discusses this issue in paragraphs 41 to 51 below.

III. General comments

8. **The Advisory Committee notes the effort that has been made to present a report on a complex subject in response to the request of the General Assembly. The Committee did, however, experience a number of difficulties. As concerns presentation, the report is not well organized; it is also repetitive. As to its substance, the Committee points out that the quality of the report is uneven, and in some cases it lacks the empirical data needed to support its conclusions. Its discussion of governance in the United Nations, for example, is at a high level of generality and is not specific on how to implement change. By contrast, the treatment of the Office of Internal Oversight Services is more detailed.**

9. **With the above considerations in mind, the Advisory Committee endeavours, in the paragraphs below, to structure its report in such a way as to facilitate the General Assembly's consideration of the issues and recommendations contained in the report of the Steering Committee. A number**

[2] The "representative" sample included the United Nations Secretariat, the United Nations Development Programme, the United Nations Children's Fund, the Office of the United Nations High Commissioner for Refugees and the International Civil Aviation Organization (see A/60/883/Add.1, para. 24).

of the recommendations address matters that are strictly within the authority of intergovernmental bodies; others are to be the subject of future reports or study. In such instances, the Committee has recommended that consideration await the completion of the relevant studies. Further, some of the recommendations relate to matters upon which the Assembly has already pronounced itself. The Committee notes the Steering Committee's suggestion that its recommendations be adopted in their entirety. The Advisory Committee is of the opinion that each recommendation should be considered on its own.

10. Taking into account what has been stated above, the Advisory Committee has identified five issues for early decision, two concerning governance and three on oversight. The former relate to strengthening the results-based approach and accountability. The latter three relate to (a) putting into effect the Independent Audit Advisory Committee, (b) the operational independence of the Office of Internal Oversight Services and (c) the strengthening of the internal control framework and the related application of risk management on a systematic and Organization-wide basis.

11. For a number of years the Advisory Committee has been calling for stricter attention to be paid to the need to monitor and report progress on the implementation of the recommendations of all oversight bodies. Although progress has been made — for example, through the inclusion of separate sections on implementation in the reports of the Secretary-General, as well as in the reports of the Board of Auditors — continued emphasis needs to be placed on this matter if reforms in oversight and governance are to be effective.

IV. Recommendations on governance

A. Governance recommendation 1: strengthen results-based management in budgets and reporting

12. The Steering Committee asserts that, while some United Nations agencies have taken significant steps in creating a clear linkage between strategic mandates and resource allocation, in the United Nations itself:

> Budgetary inputs are not sufficiently or consistently linked to results such as operational outputs or strategic outcomes, and there are not enough robust tools in place for assessing the performance of the Organization in a systematic way other than the financial accounting, evaluations and audits. Under these constraints, discussions and decision-making on budgets and administrative issues typically revolve around detailed issues relating to individual posts and other expenditure items rather than strategic requirements (A/60/883/Add.1, vol. III, para. 18).

13. The Advisory Committee points out that results-based budgeting and results-based management are mutually supportive. The Committee has consistently advocated the improved implementation of results-based budgeting to enhance both management and accountability in the Secretariat; otherwise, there is a risk that results-based budgeting will become a paper exercise. While some progress has been made in improving budgetary processes, further concrete

measures are required to strengthen results-based management at all levels in the United Nations.

14. The Steering Committee observes that, properly implemented, results-based management provides the basis for greater transparency, more effective budgetary decision-making and improved working practices. **The Advisory Committee shares this view. Although the process of change takes time, the Committee underlines that effective implementation of results-based management can be expedited through rigorous commitment and leadership of senior management in making necessary further improvements in structures, management practices and management tools.**

15. **In the opinion of the Advisory Committee, the Steering Committee has not been specific enough regarding concrete measures that could be taken to implement change.** For his part, the Secretary-General asserts that the recommendation to improve results-based management "requires detailed analysis and the development of a plan for continuous improvement with the endorsement and participation of Member States" (A/60/883, para. 10). The Advisory Committee notes that the Secretary-General proposes to use consultant services to undertake a detailed review in order to assess how to update, improve and institutionalize results-based management in the United Nations and to align and integrate results-based management within the accountability framework of the United Nations (A/60/883, para. 10). The Secretary-General further proposes that the report on strengthening the monitoring and evaluation tools in the Secretariat, which was requested by the General Assembly in its resolution 60/260, be addressed within the context of the proposed study on results-based management (A/60/883, para. 12).

16. **The Advisory Committee agrees that a study should be undertaken. The Committee points out that the Organization has amassed a certain measure of experience on this issue system-wide. Familiarity with the United Nations system and its inherent complexities would be essential in undertaking such a study. The Committee therefore recommends the use of expertise from within the United Nations system. In this connection, in planning for the study, the Secretary-General should avail himself of the mechanism of the working group of the United Nations System Chief Executives Board for Coordination (CEB) on results-based management, consistent with the provisions of paragraph 2 of General Assembly resolution 60/257.**

B. Governance recommendation 2: strengthen overall accountability of executive management of the United Nations Secretariat

17. Under governance recommendation 2, the Steering Committee recommends that the Secretary-General establish an executive management committee to support him in his role as Chief Administrative Officer. Such a committee would be limited in size, and its membership would be a combination of executives representing key managerial and operational areas of responsibility. It may also include independent members with appropriate policy and management expertise. The committee would either be chaired by the Secretary-General or by an official designated by him, and it is proposed that it have its own secretariat. **In the Advisory Committee's view, it is entirely within the Secretary-General's prerogative to organize such a committee.**

18. The Steering Committee also recommends the strengthening of the current accountability framework for executive management (at the Under-Secretary-General and Assistant Secretary-General levels), including formal and transparent performance evaluations and sanctions for not meeting performance targets, and the establishment of an open and transparent recruitment and appointment process that relates the qualifications and experience of candidates for executive management positions (see A/60/883/Add.1, vol. III, paras. 21-22).

19. In his own comments on the report of the Steering Committee, the Secretary-General indicates that governance recommendation 2 is considered a priority. He proposes an in-depth expert review of the Secretariat's accountability framework, which could also reflect the outcome of consideration by Member States of his report on accountability (A/60/846/Add.6). Terms of reference for the review are set out in paragraph 14 of A/60/883.

20. The Advisory Committee has, in the recent past, pronounced itself strongly in favour of an enhanced accountability framework for senior management. In paragraph 57 of its first report on the proposed programme budget for the biennium 2006-2007 (A/60/7), the Committee pointed out that the idea of sanctions has been referred to frequently over the years as the means by which accountability is enforced; however, without concrete measures, little or no progress will be made. In paragraph 58 of the same report, the Committee recommended that a specific set of sanctions (up to and including termination of employment) be put in place to deal with failure to perform or poor performance on the part of senior managers at the Under-Secretary-General and Assistant Secretary-General levels.

21. **The Advisory Committee supports the undertaking of the review and recommends that the findings be included in the Secretary-General's annual report on accountability measures (see General Assembly resolution 59/272). The Committee also stresses that the review should include concrete proposals for specific sanctions to be applied in the case of under- or non-performance, as well as for recognition for outstanding performance.**

C. Governance recommendation 3: strengthen the term limits and qualifications of expert committees and the independence of their members

22. Under governance recommendation 3, the Steering Committee makes a number of recommendations aimed at promoting transparency concerning the minimum qualification requirements, nomination and selection processes, remuneration and disclosure policies for members of the Advisory Committee on Administrative and Budgetary Questions, the International Civil Service Commission and the Independent Audit Advisory Committee (see A/60/883/Add.1, vol. III, paras. 23-28).

23. Among other things, the Steering Committee recommends that the proposed minimum qualification criteria for IAAC, as contained in volume IV, appendix 3, of its report (see also A/60/846/Add.7, appendix B, and paras. 41-51 below) serve as a model for the definition of similar parallel criteria for the Advisory Committee on Administrative and Budgetary Questions and the International Civil Service Commission. It also recommends extension to all members of the Advisory

Committee on Administrative and Budgetary Questions of the requirement under rule 155 of the rules of procedure of the General Assembly that at least three of its members be financial experts of recognized standing. In addition, the Steering Committee recommends that a majority of members should possess three of the following: (a) technical competency in understanding budgets, financial and performance reports and evaluations; (b) prior membership of an administrative and budgetary (or finance) committee of a public sector body or private corporations; (c) proficiency in strategic planning and resource allocation; and (d) prior managerial and leadership function in a large public or private sector organization.

24. As regards the International Civil Service Commission, the Steering Committee recommends that, in addition to current requirements, a majority of the members should have experience in two or more of the following areas: (a) managerial and leadership functions with a national civil service; (b) managerial and leadership functions with an international governmental or large non-governmental organization; (c) executive function in a large private-sector multinational enterprise; and (d) international remuneration comparisons.

25. The Steering Committee also recommends that, in order to ensure the highest standards for qualifications and independence, the United Nations should remunerate members of expert committees in the governance sphere in line with comparable positions in the public sectors of Member States, matching the Noblemaire principle, and that basic disclosure rules should be put in place to address potential conflicts of interest.

26. **The Advisory Committee concurs with the Secretary-General that governance recommendation 3 addresses issues that fall within the province of intergovernmental organs (see A/60/883, para. 16).**

27. **On the issue of minimum qualifications for the Advisory Committee itself, the Committee notes that the proposals by the Steering Committee are heavily weighted towards financial experience. The General Assembly is aware that the Advisory Committee deals with a wide range of subjects. In this connection, the Advisory Committee recalls rule 156 of the rules of procedure of the General Assembly, which states that members of the Advisory Committee shall be selected on the basis of broad geographical representation, personal qualifications and experience. This matter is within the purview of the General Assembly.**

28. **The Steering Committee's recommendation that the United Nations remunerate members of expert committees is a matter for decision by the General Assembly. The Advisory Committee notes that IAAC is proposed to meet 16 days per year and that the International Civil Service Commission meets 20 to 30 days per year. The Advisory Committee meets for more than nine months each year and, in addition, is on call in the intervening periods to deal with matters that may be referred to it by correspondence.[3] Accordingly, the conditions of service of the various expert committees may merit different approaches.**

[3] In this connection, the Advisory Committee notes that in volume III, appendix 2, of the report of the Steering Committee, the work period of the Advisory Committee is erroneously reported as "about half a year".

29. **With regard to the independence of the members of expert committees, the Advisory Committee points out that one aspect of this issue that the Steering Committee has not addressed pertains to the autonomy of the secretariats of such entities. Without proper procedures, the independence of the bodies themselves is at risk. Such a requirement would apply to the Advisory Committee on Administrative and Budgetary Questions, the International Civil Service Commission and the Board of Auditors, as well as the proposed IAAC.**

D. Governance recommendation 4: strengthen procedures of the General Assembly's Administrative and Budgetary (Fifth) Committee

30. In governance recommendation 4, the Steering Committee recommends that the General Assembly give consideration to the question of whether a smaller representative body with responsibility for administrative and budgetary matters would benefit the Organization (see A/60/883/Add.1, vol. III, para. 34). **As the General Assembly has, as recently as the sixtieth session (see resolution 60/260), reaffirmed the role of the Fifth Committee, which provides for universal participation of Member States in administrative and budgetary matters, the Advisory Committee sees no merit in considering this issue further.**

E. Governance recommendation 5: improve coordination of decisions on programmes and resource allocation

31. Under governance recommendation 5, the Steering Committee asserts that

> the division of responsibilities between the Committee for Programme and Coordination, the Fifth Committee and the Advisory Committee requires very effective coordination of decision-making to prevent emergence of conflicting or underfunded mandates and to ensure effective alignment between performance reporting, administrative procedures and resource allocation (A/60/883/Add.1, vol. III, para. 35).

The Steering Committee concludes that the procedures of the Committee for Programme and Coordination could be strengthened and that significant changes would have to be made to the procedures for that Committee's deliberations and its operational guidance to enable it to fully meet its challenging role in programme governance. Such improvements, in the view of the Steering Committee, are not likely to be achieved without the concurrent implementation of effective results-based management and the integration of programme and budget decisions, on which the Committee for Programme and Coordination could provide input (see A/60/883/Add.1, vol. III, paras. 36-37).

32. **The Advisory Committee considers that the Steering Committee was not very clear or precise.** In any case, the Advisory Committee notes that, in accordance with General Assembly resolutions 58/269, 59/275, 60/257 and 60/260, the Assembly is due to consider at its sixty-second session the experiences gained with the changes made in the planning and budgeting process. **The Advisory Committee therefore believes that issues relating to governance recommendation 5 and to**

improvements in the role of the Committee for Programme and Coordination in the planning and budgeting process should be taken up at the sixty-second session in the context of the review mandated by the Assembly in its resolution 58/269.

F. Governance recommendation 6: strengthen effectiveness, transparency and independence of all committees

33. Governance recommendation 6 applies to the sample "non-Secretariat bodies" involved in phase 2 of the comprehensive review (United Nations Development Programme (UNDP), United Nations Children's Fund (UNICEF), United Nations High Commissioner for Refugees (UNHCR) and International Civil Aviation Organization (ICAO)). The Advisory Committee points out that these are intergovernmental bodies. The Steering Committee states that the trend towards expanding the membership of governing bodies should be halted and recommends that consideration be given to reducing the size of the membership of the UNHCR governing body. The Steering Committee also recommends that all four of those non-Secretariat entities adopt formal procedures for facilitated evaluation and/or self-evaluation for their governing bodies and their committees to periodically review the effectiveness of their procedures and interactions with legislative assemblies and executive management. The Steering Committee further recommends that expert committees, such as those for oversight or audit, which exist in each case, take further steps to enhance their independence and effectiveness.

34. **The General Assembly may wish to transmit these recommendations and the underlying analysis to the bodies concerned**

G. Governance recommendation 7: establish appropriate disclosure, ethics and whistle-blower policies

35. This recommendation also applies to the sample "non-Secretariat entities" involved in phase 2 of the comprehensive review (UNDP, UNICEF, UNHCR and ICAO). The Steering Committee recommends that these entities consider implementing appropriate disclosure requirements for executive management and independent expert committees, that they put into place ethics functions to drive the implementation of their ethics policies and that all staff of such entities receive appropriate training.

36. **The Advisory Committee recommends that the General Assembly take note of governance recommendation 7, while urging that steps be taken to ensure that all United Nations funds and programmes develop a common approach to this matter.**

V. Recommendations on oversight

A. Oversight recommendations 1 and 2: enterprise-wide risk management and internal controls

37. The Steering Committee points to the absence of clear management responsibility for risk management and internal controls at the United Nations (see

A/60/883/Add.2, vol. IV, sect. 4.3.1). It indicates that responsibility for risk management and internal controls should be clearly assigned to the executive management of the Organization, in line with best practices of many public and private sector organizations, as well as of a growing number of international organizations. Specifically, it recommends:

(a) The implementation of a systematic enterprise risk management framework;

(b) The assignment of responsibility for internal controls and for reporting on their effectiveness to the Secretary-General.

38. The Advisory Committee notes that in A/60/883, paragraphs 17 and 18, the Secretary-General indicates that these two recommendations are interrelated and that it would be advisable to implement them together. He proposes to establish terms of reference for the provision of appropriate technical advice on the approach to be adopted for the introduction of a performance-focused, enterprise-wide risk management framework and the necessary supporting structures, methodologies, information systems and training requirements, as well as a detailed project implementation plan. Staff recruited to manage the project would transition into risk management functions as the project neared completion. A detailed project progress report would be issued within the first resumed part of the sixty-second session of the General Assembly.

39. **The Advisory Committee concurs with the Steering Committee that the ad hoc management of risk and the absence of clear responsibility for the effectiveness of internal controls constitutes a serious gap in the Organization; these weaknesses should be addressed expeditiously. It recommends that the Secretary-General be requested to proceed with the development of the terms of reference outlined in paragraphs 17 and 18 of his report, bearing in mind the following:**

(a) **The Secretary-General is responsible for establishing a comprehensive risk management framework and for managing risk; the related audit function is to monitor and evaluate the adequacy and effectiveness of the Organization's risk management;**

(b) **The Secretary-General is responsible for the maintenance of an effective internal control regime, which is also assessed by the audit function. Responsibility for internal control activities at all levels of the Organization should be clearly assigned and built into the accountability framework.**

(c) **The Secretary-General should report to the General Assembly on the Organization's risk management and internal control framework on a regular basis.**

40. **With respect to the involvement of external experts and consultants in this process, the Advisory Committee recognizes that outside expertise may be required to provide guidance on best practices and hands-on experience in the implementation of effective enterprise risk management and internal control procedures, provided that findings of the external entities are adapted to the needs of the United Nations; however, it emphasizes that such a study should be led in-house, in cooperation with oversight bodies. Such an analysis should not be viewed simply as a report to be submitted to the General Assembly, but as an**

essential step towards the development of an accountability culture and the strengthening of the administrative processes of the United Nations.

B. Oversight recommendation 3: implement the General Assembly's resolution to establish an independent audit advisory committee

41. In oversight recommendation 3, the Steering Committee supports the establishment of an Independent Audit Advisory Committee (IAAC) in accordance with section XIII, paragraph 4, of General Assembly resolution 60/248 and section I, paragraph 4, of Assembly resolution 60/283, and recommends prompt implementation. The Steering Committee also recommends that the terms of reference of IAAC be put forward as a model for other United Nations entities to adopt for their own audit committees, or as a basis for establishing a new audit committee.

42. As noted in paragraph 7 above, the Secretary-General has submitted a separate report updating the terms of reference of IAAC (A/60/846/Add.7), which reflects the clarifications recommended in the comprehensive review in the light of further consultations and recommends action by the General Assembly. Accordingly, the Advisory Committee has based its consideration on the updated report of the Secretary-General.

43. **The Advisory Committee believes that it is for the Assembly itself to decide upon such issues as the mandate, composition, selection process and qualifications of experts of IAAC (see A/60/7/Add.13 and Corr.1-2). In the paragraphs below, the Committee makes a number of observations and recommendations, mainly of a general nature, relating to the proposed terms of reference, including the criteria for defining the independence and the financial experience of its members.**

44. **The Advisory Committee notes that the role of IAAC is to serve in an expert advisory capacity to assist the General Assembly in discharging its oversight function (see General Assembly resolution 60/248, sect. XIII, para. 4). In the opinion of the Committee, the terms of reference for IAAC as they are formulated in A/60/846/Add.7 go well beyond an advisory role.**

45. **On the size of IAAC, it is the Advisory Committee's opinion that a smaller body would allow for greater ease of decision-making. The Committee is therefore of the view that IAAC should be composed of 5 members, rather than 10.**

46. **It is the view of the Advisory Committee that the effectiveness of such a body will depend on the expertise of its members. A wide range of financial and audit-related experience is of the essence. The Committee underscores the importance of clear and verifiable qualifications and recommends that the General Assembly develop procedures to verify the qualifications of prospective members.**

47. **In the Advisory Committee's opinion, it is for the General Assembly to decide on the conditions of service of the members of IAAC (see A/60/846/Add.7, annex, para. 10; see also para. 28 above).**

48. **The Advisory Committee reiterates that the autonomy of the secretariat of IAAC (like that of the secretariats of the Advisory Committee on Administrative and Budgetary Questions, the International Civil Service Commission and the Board of Auditors) should be ensured (see para. 29 above).**

49. The Steering Committee also recommends that the budgets of the Office of Internal Oversight Services and the Board of Auditors be submitted to the General Assembly through IAAC (see A/60/883/Add.2, vol. IV, para. 21). The Secretary-General, however, proposes that IAAC undertake an expert technical review of the oversight budget and advise the General Assembly through the Advisory Committee of its findings and recommendations (see A/60/883, annex II, para. 4). **The Advisory Committee sees merit in the procedure proposed by the Secretary-General in order to preserve the integrity of the budget review process.**

50. **Accordingly, the Advisory Committee recommends that the General Assembly request the Secretary-General, after consulting with the Board of Auditors[4] and the Office of Internal Oversight Services, and taking into account the comments of the Committee in the paragraphs above, to submit revised terms of reference for IAAC to the General Assembly at the first resumed part of its sixty-first session, which would reflect, inter alia, the following key points:**

(a) **The purely advisory role of IAAC, with no operational functions;**

(b) **The responsibility of IAAC to advise the General Assembly on issues it considers appropriate concerning the scope, content and outcome of the work of audit entities.**

51. In paragraph 17 of A/60/846/Add.7, the Secretary-General recommends that the General Assembly, inter alia, approve the terms of reference contained in annex I to the report and appropriate an amount of $917,800 under section 1, Overall policymaking, direction and coordination, and $38,800 under section 35, Staff assessment, to be offset by a corresponding amount under income section 1, Income from staff assessment, of the programme budget for the biennium 2006-2007. **The Advisory Committee's recommendations on resource requirements relating to the proposals of the Steering Committee are contained in paragraph 83 below.**

C. Oversight recommendation 4: the Joint Inspection Unit should be discontinued

52. The main arguments put forward by the Steering Committee in support of oversight recommendation 4 are contained in A/60/883/Add.2, volume IV, paragraphs 22 to 26. In the opinion of the Advisory Committee, the report of the Steering Committee does not explain with sufficient clarity the reasoning that led it to the conclusion that the Joint Inspection Unit should be discontinued.

53. During its review of that part of the report of the Steering Committee, the Advisory Committee met with the Chairperson and Vice-Chairperson of the Joint Inspection Unit, who provided additional information and clarifications. The Advisory Committee notes that the Unit has submitted its comments in response to the Steering Committee's recommendations regarding it and the Office of Internal Oversight Services; in those comments it contests many of the conclusions of the Steering Committee (see A/60/1004). The annex to the report containing those comments also contains a summary of the differences between the Steering

[4] Financial regulation 7.6 reads as follows: "The Board of Auditors shall be completely independent and solely responsible for the conduct of the audit".

Committee's proposals and the Joint Inspection Unit's recommendations for strengthening oversight, presented in its report on oversight lacunae in the United Nations System (see A/60/860).

54. In this connection, it should be noted that there is an ongoing process of reform of the Joint Inspection Unit, including a review of its statute and working procedures (see A/58/343 and Add.1-2), and the procedures for the appointment of the Unit's inspectors (see A/60/659). **The General Assembly is the competent body to deal with matters concerning the status of the Joint Inspection Unit, consistent with the latter's statute. The Assembly may wish to take up issues related to the future functioning of the Unit at the same time as its review of the implementation of the ongoing reform of that body (see General Assembly resolution 59/267).**

D. Oversight recommendation 5: set new standards for oversight of inter-agency programmes

55. The Steering Committee identifies a gap in oversight regarding programmes funded and operated jointly by a number of entities, which are usually supervised by an inter-agency committee at the senior management level. There is no provision for integrated oversight, and the participating agencies conduct audit and evaluations for their share of the programme. This fragmentation of the oversight function results in duplications and inefficiencies. It recommends that an integrated risk management framework be established and that integrated audits and evaluations be carried out by one oversight entity on behalf of all participating entities.

56. The Secretary-General indicates in paragraph 21 of A/60/883 that the introduction of mechanisms for ensuring that gaps do not exist in the provision of oversight activities for inter-agency services is a matter that falls strictly within the province of intergovernmental organs and that this also affects the role and responsibilities of the Office of Internal Oversight Services, the Board of Auditors and other oversight entities in the wider United Nations system. **The Advisory Committee recommends that the General Assembly request the Secretary-General, as Chairman of CEB, to make proposals to the Assembly on how to address this issue.**

57. **On a related matter, the Advisory Committee notes the absence of concrete proposals for improving coordination and cooperation between the oversight bodies of the United Nations system.**

E. Oversight recommendation 6: set up an audit committee for the International Civil Aviation Organization and enhance the operational independence of the internal audit function within the Office of the United Nations High Commissioner for Refugees, the United Nations Development Programme and the United Nations Children's Fund

58. The Advisory Committee notes that the sample group of entities reviewed in phase 2 includes the United Nations Secretariat, three funds and programmes of the United Nations (UNHCR, UNDP and UNICEF) and one specialized agency, ICAO.

Most of those entities are in the process of constituting audit committees or adapting the terms of reference of existing audit committees in line with best practices, particularly in respect of their independence.

59. The governance structure of ICAO, a specialized agency, is analogous to that of the United Nations General Assembly. The Steering Committee suggests that the Council of ICAO consider using the terms of reference of IAAC as a model, which should be applicable to its environment.

60. **The General Assembly may wish to transmit this recommendation and the underlying analysis to the Council of ICAO.**

F. Oversight recommendation 7: clarify responsibilities of the Office of the United Nations High Commissioner for Refugees Oversight Committee with joint responsibilities for internal audit, investigations and evaluation

61. The Steering Committee points out that the UNHCR Oversight Committee is responsible for internal audit, investigations and evaluation; however, best practice would require that the independent audit committee provide governance only for internal and external audit functions and that the evaluation and investigation functions have reporting lines to executive management, with guaranteed independence and accountability to the governing bodies. Furthermore, the Oversight Committee includes only one independent member.

62. The Advisory Committee was provided with additional information indicating that UNHCR had started work on the revision of the terms of reference of the oversight committee to include additional external members and that it intended to inform and consult with its Executive Committee during the first part of 2007 on the approach to be adopted for the establishment of an independent audit advisory committee constituted on the model of IAAC approved by the General Assembly for the United Nations.

VI. Review of the Office of Internal Oversight Services

63. The results of the review of the Office of Internal Oversight Services are contained in volume V of the report of the Steering Committee (A/60/883/Add.2).

64. The Steering Committee makes 23 major recommendations, which, for ease of reference, are summarized in the annex below (see also A/60/883/Add.2); the comments and observations of the Advisory Committee follow. **The Steering Committee has also made numerous useful observations and suggestions about possible improvements to the professional practices and working methods of the Office of Internal Oversight Services. It has also stressed the need to improve the working relationship between that Office and management and suggested methods for doing so. Many of these fall within the managerial competencies of the Secretary-General and the Under-Secretary-General for Internal Oversight Services. The Advisory Committee urges that these suggestions be given careful consideration by them.**

65. The Advisory Committee recalls that the General Assembly decided to evaluate and review the functions and reporting procedures of the Office of Internal Oversight Services at its sixty-fourth session (resolution 59/272, para. 16). **The Committee points out, nevertheless, that a number of the recommendations of the Steering Committee relate directly to the legislative mandate contained in General Assembly resolution 48/218 B, which established the Office of Internal Oversight Services with the purpose of assisting the Secretary-General in fulfilling his internal oversight responsibilities in respect of the resources and staff of the Organization through monitoring, internal audit, inspection and evaluation and investigation (see para. 5 (c) (i)-(iv) of that resolution). Any changes to the organization and structure of the Office and its functions should therefore be considered in the light of that resolution, as well as subsequent General Assembly resolutions on the mandate of the Office, such as resolutions 54/244, 59/272 and 59/287.**

66. The Advisory Committee notes that the Under-Secretary-General for Internal Oversight Services has prepared a separate report in which she makes comments on certain elements of the recommendations of the Steering Committee and provides her own proposals for strengthening the independence and status of the Office of Internal Oversight Services in the Organization (A/60/901).

67. The Advisory Committee also notes that the Secretary-General, in view of the status of the Office of Internal Oversight Services, chose not to comment directly on the recommendations of the Office contained in A/60/901. However, he makes observations on the conclusions of the Steering Committee in relation to four issues: (a) the qualifications of the experts of IAAC, as the critical success factor to enable that Committee to meet its challenging role of providing technical advice to the General Assembly; (b) the assignment of IAAC to undertake an expert technical review of the oversight budgets, advising, however, that they should subsequently go through the Advisory Committee on Administrative and Budgetary Questions for submission to the Assembly; (c) management's need for competent internal audit and assurance services; and (d) the need to ensure the existence of appropriate checks and balances to protect investigations staff, regardless of the decision taken with respect to the structure and reporting lines (A/60/883, annex II).

68. The Steering Committee, in the context of its review of the governance structure in which the Office of Internal Oversight Services operates, recommends that management acknowledge its responsibilities for setting risk tolerance, implementing controls and managing risk (see recommendation 1 in the annex below). **The Advisory Committee agrees that this would clarify the responsibilities of management to assess risk and to design and manage internal controls.**

69. The Advisory Committee notes that the recommendation follows observations in the Steering Committee's report about the perception of the Office of Internal Oversight Services as an external oversight body rather than an internal one, ensuing from the accessibility of its reports to Member States. The Committee points out that the General Assembly, in paragraph 5 (d) of its resolution 48/218 B, addressed the Office's function of support and advice to management. **The Advisory Committee considers that the role of the Office as an internal oversight body is clear: it is part of the Secretariat, and it discharges the mandates conferred by the Assembly under the authority of the Secretary-**

General. The necessary ability of the Office of Internal Oversight Services to report to the General Assembly as it deems necessary, or the access of Member States to its reports, does not derogate from the Office's responsibility to work as a support for management in its efforts to improve the functioning of the Secretariat. The Committee stresses that the Office and management must both cooperate, with management assuming responsibility in assessing and managing risk and the Office providing objective assurance and support to management in the process.

70. In its review of the organization and structure of the Office of Internal Oversight Services itself, the Steering Committee recommends that the Office focus on internal audit, contending that there are too many different activities and units within its structure, which impedes the perception of its objectivity, reduces its effectiveness and probably increases its costs (A/60/883/Add.2, vol. V, sect. 5.5.3, recommendations, para. 1). It is therefore argued that the responsibility for monitoring programme performance should be programme management's, while the Office of Internal Oversight Services should provide assurance that the function is performed accurately by auditing the process and data used. It is further argued that the evaluation activities and management consulting activities would more appropriately be positioned in the Department of Management and that the Investigations Division should be part of the Office of Legal Affairs (see recommendations 2, 3 and 4 in the annex below and A/60/883/Add.2, vol. V, sect. 5.5.3).

71. **The Advisory Committee agrees that the preparation of the programme performance report should be the responsibility of programme managers and that the function should be transferred to the Department of Management. The Committee also agrees that the management consulting function could, more appropriately, be positioned outside the Office of Internal Oversight Services. However, in view of the contribution of this function to the Secretariat's management reform effort, the Committee is of the opinion that its placement and related resources should be considered in the context of the proposals of the Secretary-General for change management and the related observations of the General Assembly in its resolution 60/260. At the same time, the Committee points out that any transfer of functions should be accompanied by the transfer of the related resources.**

72. The Steering Committee is of the opinion that evaluations should be performed by programme management and reported to the relevant body that sets the budget and approves the plans for the programme, thus locating that function within the Department of Management (A/60/883/Add.2, vol. V, sect. 5.5.3, recommendations, para. 4). In this connection, the Advisory Committee recalls that the General Assembly, in paragraph 14 of its resolution 60/257, requested the Secretary-General to entrust the Office of Internal Oversight Services with reporting to the Assembly at its sixty-first session on ongoing efforts and measures taken to strengthen its in-depth and thematic evaluation function, as well as to respond to ad hoc evaluation requests by programme managers to ensure that intergovernmental bodies are provided with high-quality professional and objective reports on the performance of programmes and activities. The report on the activities of the Office of Internal Oversight Services (A/61/264, Part I, annex III) outlines the Office's response to that request and further indicates that its report on proposals for strengthening the Office (A/60/901) contains the proposals for reinforcing its evaluation function with regard to its approach, methodology and number of staff.

73. **The Advisory Committee believes that there is merit in strengthening the capacity for evaluation at the level of programme management (self-evaluation). As for internal evaluation, the Committee recalls that, in accordance with General Assembly resolution 48/218 B, this function is carried out centrally by the Office of Internal Oversight Services. The Committee recognizes that more than one model can apply; wherever this function is placed, the Advisory Committee underlines the need to ensure that the outcomes of evaluation are taken fully into account by programme managers (see also General Assembly resolution 60/254).**

74. As to the recommended transfer of investigations to the Office of Legal Affairs (see recommendation 4 in the annex below), the Advisory Committee recalls the provisions of General Assembly resolution 59/287. The Committee also notes that the Office of Internal Oversight Services itself recognizes the need to comprehensively reassess the functions, structure and work processes of the Investigations Division and that a special review has been undertaken, to be completed by the end of 2006 (see A/60/901, para. 84). **Under the circumstances, the Committee is of the opinion that the investigation function should be maintained in the Office of Internal Oversight Services with such refinement as may be possible after the completion of the special review.**

75. Section 5.5.1 of the Steering Committee's report addresses the issue of the operational independence of the Office of Internal Oversight Services (see recommendations 5-15 in the annex below). In the view of the Steering Committee, operational independence is based on the degree to which the oversight function is free to identify the resources it requires, deploy them and report on them as it sees fit (A/60/883/Add.2, vol. V, sect. 5.5.1, principles, para. 46). In this connection, the Advisory Committee recalls that the General Assembly, in paragraph 5 (a) of its resolution 48/218 B, decided that the Office of Internal Oversight Services

> shall exercise operational independence under the authority of the Secretary-General in the conduct of its duties and, in accordance with Article 97 of the Charter, have the authority to initiate, carry out and report on any action which it considers necessary to fulfil its responsibilities with regard to monitoring, internal audit, inspection and evaluation and investigations as set forth in the present resolution.

76. The Steering Committee recommends that the General Assembly define those organizations for which the Office of Internal Oversight Services has responsibility to provide internal audit services (see recommendation 5 in the annex below). **The Advisory Committee is of the opinion that additional information would be required and that the Secretary-General should be requested to compile such information, including all organizations currently not having a separate internal audit function. Information should also be provided on cross-agency activities, such as operations under the authority of the Assembly involving more than one United Nations entity.**

77. The Steering Committee, in its recommendations 10 and 12 (see annex below), recommends that the Office of Internal Oversight Services report administratively to the Secretary-General, who may delegate the day-to-day function to an executive body that has sufficient authority and seniority within the system and has the capacity to sponsor the Office, such as the Deputy Secretary-General or an executive committee chaired by him/her. **In the first place, the Advisory**

Committee points out that, regardless of the internal administrative arrangements made, the ultimate responsibility rests with the Secretary-General, under Article 97 of the Charter of the United Nations. Moreover, the operational independence of the Office (see General Assembly resolution 48/218 B) requires that it report directly to the Secretary-General.

78. Recommendations 11, 13, 14 and 15 (see annex below) refer to the Independent Audit Advisory Committee (IAAC) and its proposed relationship with the Office of Internal Oversight Services. IAAC is also discussed in paragraphs 41-51 above, under oversight recommendation 3. **These issues should be considered in the light of the Advisory Committee's recommendation for the submission of revised terms of reference for IAAC.**

79. According to the Steering Committee, the funding structure for the Office of Internal Oversight Services limits its ability to determine where resources will be deployed and hence limits the scope of its decisions. As a result, resources cannot be allocated to areas of emerging risk, on the basis of the Office's assessment of risk, and changes in risk cannot always be responded to without its having to renegotiate individual agreements or wait for the next biennium process (A/60/883/Add.2, vol. V, sect. 5.5.1, observations, para. 47.2). The Steering Committee recommends the preparation of a budget for the Office on the basis of risk assessment and strategy for the Office. It also recommends that, once approved by the General Assembly, costs should be allocated by the Department of Management on the basis of whatever formula the Member States decide upon, removing the Office of Internal Oversight Services from the discussion on the cost allocation (see recommendations 7 and 8 in the annex below).

80. The Office of Internal Oversight Services states in A/60/901, paragraph 44, that it is not yet at full implementation of its risk assessment framework and has set 2008 as a target for ensuring that all its work plans are fully risk-based. Therefore, formulating a budget for the Office based on risk management is a mid- to long-term goal. The Advisory Committee is also cognizant of the fact that the management of risk includes a comparison of the estimated risk against associated costs.

81. With regard to the funding arrangements, the Advisory Committee notes that the Steering Committee's report does not include proposals on ensuring adequate funding arrangements for timely reimbursement by funds and programmes for services of the Office of Internal Oversight Services (see General Assembly resolution 60/259, para. 4 (c)). The Committee also recalls that the Assembly, in paragraph 15 of its resolution 59/272, requested the Secretary-General to report to it on how to guarantee the full operational independence of the Office within the context of its resolution 48/218 B. Such a report has yet to be produced. As indicated by the Secretary-General, expenditures of the Organization are currently accounted for according to the source of funding; any deviation from this principle would require specific approval by the Assembly (see A/61/264 (Part I)/Add.2, para. 3). **The Committee is therefore of the opinion that the Secretary-General should be requested to prepare a proposal taking into consideration the above points and drawing upon experience gained on cost-sharing mechanisms currently in place.**

82. With regard to granting the Office of Internal Oversight Services control over standards for hiring, promoting and terminating its personnel (see recommendation 9 in the annex below), the Advisory Committee points out that the Under-Secretary-

General already has a certain degree of discretion with regard to personnel matters, consistent with resolution 48/218 B, and set out in the arrangements stipulated for the Office in administrative instructions ST/AI/401 and ST/AI/2003/4.

VII. Recommendation of the Advisory Committee concerning resource requirements

83. The Advisory Committee notes that the report of the Steering Committee contains cost estimates in each section. **At this stage, however, the Advisory Committee would consider such estimates to be merely indicative since they represent an analysis carried out by the Steering Committee, but have not gone through the normal budgetary formulation process carried out by the Secretariat. Moreover, precise estimates will depend on such action as the General Assembly may take with regard to the proposals before it. At that time, the Secretary-General would prepare a statement of programme budget implications in accordance with rule 153 of the rules of procedure of the General Assembly; such a statement should contain precise, detailed and fully justified budget estimates.**

Annex

Recommendations of the Steering Committee on the Office of Internal Oversight Services

Reference	*Recommendation*
Section 5.5.2 Governance structure in which the Office of Internal Oversight Services operates	1. Management should acknowledge responsibility for setting risk tolerance, implementing controls and managing risk
Section 5.5.3 Organization and structure of the Office of Internal Oversight Services	2. Evaluations and management consulting activities should be transferred to programme managers and the Department of Management
	3. The Office of Internal Oversight Services should focus on internal audit, including auditing the process used by management to perform evaluations
	4. The Office should not perform investigations; that function should be transferred to the Office of Legal Affairs
Section 5.5.1 Independence	5. The General Assembly should define those organizations for which the Office of Internal Oversight Services should perform internal audit services
	6. Reaffirm that there should be no barrier to the Office's access to people or documents to perform its work
	7. Create a budget for the Office based on a risk assessment and strategy for the Office
	8. The Office should be removed from discussions on the allocation of costs for its services
	9. The Office should be granted control over the standards and decisions for hiring, promoting and terminating its personnel
	10. The Office should report administratively to the Secretary-General or an executive body to which the Secretary-General delegates suitable authority, such as the Deputy Secretary-General
	11. The Office should report functionally to the Independent Audit Advisory Committee
	12. The Deputy Secretary-General, or a designated executive body, should sponsor the activities of the Office within the Organization, including the responsibility for the settlement of disputes
	13. IAAC should provide oversight for the Office
	14. The Office should have free and open access to IAAC
	15. IAAC should advise the General Assembly on the progress of the Office in respect of its plan and significant issues arising from the activities of the Office

Reference	*Recommendation*
Section 5.5.7 Communication and reporting	16. Draft audit reports should be shared with programme management to obtain their comments
	17. The reports of the Office, after due process, should be issued directly and without interference to executive management and IAAC
	18. The practice of separate commentary by the Secretary-General on reports of the Office should cease
Section 5.5.1 Independence	19. Reports should continue to be available to Member States on request through IAAC once the reporting process has been completed
Section. 5.5.4 Human resources	20. The term limit for the head of the Office should be revisited
Section 5.5.5 Working practices	21. The working practices of the Office should be strengthened
	22. Staff skills should be assessed and a programme put in place to obtain additional resources for missing skills, including in the area of information and communications technologies
	23. A risk assessment should be performed, under a new risk assessment framework, as the basis for a revised budget

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Security Council

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General Assembly
Sixty-first session
Agenda item 100
Measures to eliminate international terrorism

Security Council
Sixty-first year

Letter dated 30 November 2006 from the Permanent Representative of the Russian Federation to the United Nations addressed to the Secretary-General

I have the honour to transmit herewith the text of the Strategy for Partnerships between States and Businesses to Counter Terrorism, which was adopted at the Global Forum for Partnerships between States and Businesses to Counter Terrorism, held in Moscow, 28-30 November 2006.

It is our hope that the Moscow Global Forum will foster the development of a full-scale international counter-terrorism cooperation process involving Government bodies and business organizations and that it will make a significant practical contribution to the implementation of the United Nations Global Strategy against Terrorism.

I should be grateful if you would have the text of this letter and its annex circulated as a document of the sixty-first session of the General Assembly, under agenda item 100, and of the Security Council.

(*Signed*) V. **Churkin**

06-64178 (E) 061206 071206

Annex to the letter dated 30 November 2006 from the Permanent Representative of the Russian Federation to the United Nations addressed to the Secretary-General

[Original: English

Strategy for Partnerships between States and Businesses to Counter Terrorism

Approved by Global Forum for Partnerships between States and Businesses to Co Terrorism, Moscow, November 30, 2006

1. Terrorism is one of the greatest threats to civilization today. It destroys life, div ples, fosters conflict, weakens economies and undermines progress. It can justified. Just as governments and businesses co-operate to build prosperity, so th also combine their efforts to counter terrorism. Such partnerships should be made in a spirit of cooperation and will be based on the respective roles, respo and interests of the partners.

2. This Global Forum strongly condemns terrorism in all its forms and mani regardless of when and where terrorist acts are committed or who commits them, deep sympathy to the victims of the terrorist acts and their families, and acknowl important contribution of the United Nations and other international organizatio prevention and countering of terrorism.

3. We must reduce both the threat of terrorism and our vulnerability to it. To r threat, we need to prevent terrorist acts and disrupt terrorist activities now and t new generations of terrorists. To reduce our vulnerability, we need to protect our against terrorist attack and minimize the consequences of attacks. However, this done by States alone. Rather, it requires joint efforts between governments, busin the whole of civil society.

4. This Global Forum therefore seeks to encourage and develop worldwide coop promote partnerships between governments and businesses, to contribute to e stability and security of economies and societies around the world. Through m effective sharing of information, knowledge and experience and through coordinated actions, governments and businesses can develop, improve and i measures to prevent and counter terrorism. These partnerships are of great value i range of sectors and we will demonstrate below how this Global Forum v parameters of such partnerships in combating terrorism.

Business and Government leadership in counter terrorism

5. Financial sector: Close cooperation between businesses and governments enables the identification of the financial flows, which support terrorism. By improving the quality and mechanisms for exchanging relevant information between governments and businesses, we can enhance these efforts and methods to counter the financing of terrorism. This in turn enables us not only to freeze or otherwise disrupt financial support to terrorism, but also to prevent the use of business structures and individual enterprises for terrorist purposes and to gain intelligence about terrorists' plans, activities and connections. Through cooperation in countering terrorism, governments and businesses can better ensure the stability and security of the international financial system. By jointly assessing and sharing information on terrorist risks faced by the financial system, where appropriate, we can better protect the integrity of the financial sector, including by identifying risks linked to terrorism and working out effective schemes of insurance against such risks, as appropriate. Measures developed by the international community, notably the FATF, are of utmost importance in this context.

6. Telecommunications and Information security: To reduce vulnerability of critical information systems to electronic attack by terrorists, governments and businesses should work together to develop and improve arrangements and methods, and ensure that best practices are promoted. Increased cooperation would also allow information and alerts to be efficiently shared between relevant actors, and ensure that any response to an electronic attack is swift and co-ordinated. While collection of data from terrorist use of telecommunications and the Internet can be invaluable to police and intelligence services, it can also threaten the privacy of individual law-abiding citizens. Governments and businesses should work closely to ensure that proper lawful procedures are followed concerning the collection, retaining and handling of such data.

7. Internet: Internet service providers and other businesses can work with governments to counter the misuse of the Internet by terrorists and to prevent the facilitation of the final steps from extremism to terrorism. For example, terrorists have used the Internet with the aim to recruit and to instruct people on how to mount attacks and to incite them to commit terrorist acts. Governments should therefore, as appropriate, look at building closer voluntary national and international partnerships with Internet service providers to tackle such abuses.

8. Tourism: The tourism industry in some regions is a priority target for terrorists and should be protected through joint efforts of governments and businesses involved, including through appropriate and timely exchange of information about potential terrorist threats to specific regions and tourist destinations.

9. Critical infrastructure must be preserved and protected. Attacks on energy, communications, chemical and other hazardous industries, food, water, educational institutions and health-care sectors could seriously threaten health and safety and disrupt supply and economic activity. Some sectors, such as energy and chemicals, could themselves be exploited by terrorists to threaten the broader community. To ensure protection against terrorism, it is vital that governments and businesses active in these sectors cooperate effectively, including through intense exchange of information and expertise. Some regulation may be reasonable to ensure a sufficient level of protective security in the interest of all. However, in many cases the best result is achieved by voluntary co-operation, such as through joint simulations and exercises. When protecting critical infrastructures against terrorism, other threats and risks should also be taken into consideration in order to assure rational and effective protection [all hazards approach].

10. Transportation: While there is already extensive co-operation between governments and airlines on international and domestic aviation security, there is still room to deepen and broaden this cooperation, for example regarding illegal air transport of small arms and light weapons (SALWs) and their munitions. Moreover, there remains great potential to develop joint cooperative work on maritime, rail and other ground transport security issues between governments and businesses to improve safety and preparedness.

11. International Trade Supply Chain: Co-operation between governments and businesses is vital to lessening the vulnerability of the international trade supply chain to terrorist attacks. Partnerships between the public and business sector could provide trade facilitation benefits to participating businesses in exchange for meeting minimum security criteria. Governments should encourage Customs-Business partnerships to promote supply chain security based on existing international standards and best practices.

Emergency Preparedness and Consequence Management

12. Threat assessments: Joint assessment of terrorist threats and the effective dissemination of such information, including to the public and to businesses, helps those actors make sensible decisions about security and preparedness.

13. Consequence management: Governments should work with businesses to encourage and spread best practices on consequence management and business continuity. They can also cooperate to work out ways to improve assistance to victims of terrorist attacks and their families.

14. Emergency response network: While the majority of the emergency response network are in the public sector, businesses can contribute significantly to emergency response. As

it is vital that these efforts be well coordinated, joint anti-terrorist exercises should be conducted whenever possible.

Critical linkages

15. Economic development: Businesses can contribute to fostering economic development by providing jobs and improved access to goods and services to underserved and underdeveloped communities.

16. Charitable sector: Businesses and governments should work together to prevent and minimize abuse by terrorists in this sector, while preserving the legitimate rights and activities of these organizations. This is best achieved through close co-operation between authorities and other competent bodies and charities, as well as through enhanced public transparency regarding sources and disposition of charitable funds. Public bodies can also provide training and guidance to help charities protect themselves against terrorist abuse.

17. Academic sector: The academic and commercial scientific communities have key roles to play in developing and implementing new technology to enhance protective security, but also in conducting research on terrorism-related issues, including structural and other factors that can encourage radicalization and terrorist recruitment. Governments should encourage joint, individual or coordinated scientific research with academic communities and businesses on terrorism-related issues. Governments and businesses can also promote moderation, tolerance and social inclusion through educational and other exchange programs.

18. Media can play a major role in promoting moderation, tolerance, social inclusion, and in isolating terrorists, by fostering open and well-informed debate and by countering the motivational factors, which promote extremism - conflict, propaganda, prejudice. At the same time, governments should ensure that their counter-terrorism efforts are understood by the media and the general public.

* * *

19. The more governments and businesses work together at national and international levels to help build these partnerships, the stronger and more effective they will be. To this end, we will contribute to establishing informal international government-business working groups on counter-terrorism partnerships in key sectors. Within the framework of a number of preparatory working meetings several specific proposals for antiterrorist partnerships between states and businesses to counter terrorism have already been presented. On the basis of the discussions held at this Forum, these informal international

government-business working groups will seek to work out and put into practice proposals and concrete projects of cooperation between states and businesses to counter terrorism. Interested state and private structures, as well as relevant or specialized international organizations, as appropriate, will take part in the elaboration and implementation of these proposals and projects on a voluntary basis. The working groups will report the results of their deliberations to a second meeting of this Forum.

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General Assembly
Security Council

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Sixty-first session
General Assembly
Agenda item 13
The situation in the Middle East

Security Council
Sixty-first year

Identical letters dated 4 December 2006 from the Chargé d'affaires a.i. of the Permanent Mission of Lebanon to the United Nations addressed to the Secretary-General and the President of the Security Council

On instructions from my Government, I transmit to you herewith a statistical table showing the number of Israeli violations committed during November 2006 (see annex).

I should be grateful if you would have this letter and its annex circulated as a document of the General Assembly, under agenda item 13, and of the Security Council.

(*Signed*) Caroline **Ziade**
Chargé d'affaires a.i.

06-64042 (E) 051206 051206

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Annex to the identical letters dated 4 December 2006 from the Chargé d'affaires a.i. of the Permanent Mission of Lebanon to the United Nations addressed to the Secretary-General and the President of the Security Council

Statistical table showing the number of Israeli violations committed during November 2006

Air violations				*Sea violations*	*Land violations*			*Total violations*	*Total violations in previous month*
					Military acts of aggression	*Field violations*	*Breaches*		
Military jet	Reconnaissance	Helicopter	Total	Crossing of territorial waters, artillery fire and shooting of flares and fire-bombs over territorial waters	Air raids, artillery shelling, shelling of military positions and important centres, attacks on and killing of civilians	Gunfire, shooting of flares, dropping of artillery missiles, infiltration and crossing of international borders	Threats and displaying of weapons, bulldozing of soil, placing of barbed wire and setting up of installations inside Lebanese territory		
21	44	1	66	8	-	16	6	96	85

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Security Council

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5 December 2006

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General Assembly
Sixty-first session
Agenda items 13 and 14

The situation in the Middle East

Question of Palestine

Security Council
Sixty-first year

Identical letters dated 5 December 2006 from the Chargé d'affaires a.i. of the Permanent Mission of Israel to the United Nations addressed to the Secretary-General and the President of the Security Council

I write to inform you of the recent number of Qassam rocket attacks by Palestinian terrorists in the Gaza Strip against Israel over the past week.

From Sunday, 26 November 2006, until Monday, 4 December 2006, no less than 15 Qassam rockets were fired by Palestinian terrorists at Israeli communities in the south. Five of these Qassam rockets landed in Israel. During these attacks, numerous civilians were lightly injured and countless others were treated for trauma.

Palestinian Qassam rockets have been unabashedly and relentlessly launched by terrorists in the Gaza Strip for some time now, long before Israel withdrew from that area more than one year ago.

Most disturbing, however, is that these recent attacks come after a ceasefire was initiated and agreed upon between Israeli Prime Minister Ehud Olmert and Palestinian Authority Chairman Mahmoud Abbas, which went into effect on the morning of Sunday, 26 November 2006. The continuation of terror attacks, in violation of the ceasefire, demonstrates the severity of the challenge facing the Palestinian leadership these days and its inability to stop terror completely.

In the past week, Prime Minister Olmert extended a hand to the Palestinian people to seek peace and security together. If the ceasefire will hold on the ground, then no political efforts should be spared to return the parties to the negotiating table. And that begins with ensuring that the Palestinian leadership embraces the three conditions of the international community: to recognize Israel, renounce violence and terror and abide by previous agreements. Otherwise, I fear, the opportunity will be lost.

06-64301 (E) 051206

I should be grateful if you would have the present letter circulated as a document of the sixty-first session of the General Assembly, under agenda items 13 and 14 and of the Security Council.

(*Signed*) Daniel **Carmon**
Ambassador
Chargé d'affaires a.i.

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Security Council

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General Assembly
Sixty-first session
Agenda items 13, 32 and 40

The situation in the Middle East

Report of the Special Committee to Investigate Israeli Practices Affecting the Human Rights of the Palestinian People and Other Arabs of the Occupied Territories

Permanent sovereignty of the Palestinian people in the Occupied Palestinian Territory, including East Jerusalem, and of the Arab population in the occupied Syrian Golan over their natural resources

Security Council
Sixty-first year

Identical letters dated 5 December 2006 from the Permanent Representative of the Syrian Arab Republic to the United Nations addressed to the Secretary-General and the President of the Security Council

I have the honour to transmit herewith identical letters dated 5 December 2006 addressed to the Secretary-General and the President of the Security Council concerning the deteriorating health of the Syrian detainee from the occupied Golan, Seittan Nemer Al-Walee, and the situation of other Syrian detainees, also from the occupied Golan, in the prisons of the occupier, Israel.

It would be greatly appreciated if the annex to the present letter were circulated as a document of the General Assembly, under relevant agenda items relating to the situation in the Middle East, the occupied Syrian Golan and human rights, and of the Security Council.

(*Signed*) Bashar **Ja'afari**
Ambassador
Permanent Representative

06-64444 (E) 081206 081206

Annex to the identical letters dated 5 December 2006 from the Permanent Representative of the Syrian Arab Republic to the United Nations addressed to the Secretary-General and the President of the Security Council

[Original: Arabic]

Israel persists in its violation of all international laws and norms and continues the practice of arbitrary detention. It also practices the torture of prisoners and detainees in its jails in utter disregard of international law, international humanitarian law and the four Geneva conventions of 1949, especially the Third Convention relative to the Treatment of Prisoners of War and the Fourth Convention relative to the Protection of Civilian Persons in Time of War.

Israel, having caused the death last year in prison of the martyr Hayil Abu Zayd — a resident of the occupied Syrian Golan — through deliberate medical neglect during 20 years of detention in abominable conditions, is now doing the same to another resident of the occupied Syrian Golan, Seittan Nemer Al-Walee, who has been imprisoned in Israeli jails since 1985. He is serving a prison term of 27 years for refusing to accept the occupation and an Israeli identity card; such action is condoned by all international laws and norms. The Government of the Syrian Arab Republic has received an urgent complaint from the family of the prisoner Seittan Nemer Al-Walee in which the family states that the Israeli authorities have transferred him from his prison to hospital in view of the critical state of his health. His family has no information as to what has become of him and fears that he will meet with the same fate as the martyr Hayil Abu Zayd.

This inhumane and savage practice, which utilizes systematic torture in order to repress freedoms and to terrorize those who reject the occupation and stand up to it in defence of their land, people and lives, requires the international community to intervene and stand up to the organized State terrorism practised by Israel, which is a blatant violation of international law that disregards international will and legitimacy and the right of peoples to self-determination.

Assiduous efforts on the part of the Secretary-General with the parties involved are urgently required to end the oppression to which Seittan Nemer Al-Walee and other Syrian prisoners from the occupied Syrian Golan are being subjected, especially since some of them have been imprisoned for more than 20 years in inhumane and degrading conditions. Similarly, Israeli criminality constitutes a defiance of the wishes of the Security Council and of the international community as well as a violation of international law and international humanitarian law, and to follow up on such matters is one of the Council's essential duties.

These inhumane Israeli practices also contravene the provisions of Security Council resolution 497, which declared that the Israeli decision to impose its laws, jurisdiction and administration in the occupied Syrian Golan was null and void and without legal basis. The Council also demanded that Israel should rescind forthwith its decision. Those practices also contravene all the relevant resolutions adopted by the General Assembly. The most recent of those resolutions was 61/27, in which the General Assembly stressed that Israel must comply with its obligations pursuant to the Hague Convention IV of 1907 and the Geneva Convention of 1949 relative to the Protection of Civilian Persons in Time of War. The resolution also stressed that

the continued occupation of the Syrian Golan and its de facto annexation constitute a stumbling block in the way of achieving a just and comprehensive peace in the region. Those practices also contravene the resolution adopted by the Human Rights Council at its most recent session, which called on Israel to desist from imposing Israeli citizenship on the Syrian citizens in the occupied Syrian Golan, and from its repressive measures against them, as well as all other practices which affect the human rights of the population of the occupied Syrian Golan. That same resolution also called on all member States not to recognize any of the above-mentioned legislative or administrative measures and actions.

I should be grateful if you would have this letter and its annex circulated as a document of the General Assembly and of the Security Council.

(*Signed*) Bashar **Ja'afari**
Ambassador
Permanent Representative

United Nations A/61/610

General Assembly

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6 December 2006

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Sixty-first session
Agenda items 117 and 132

Programme budget for the biennium 2006-2007

Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Strengthening of the Office of Internal Oversight Services

Revised estimates to the programme budget for the biennium 2006-2007 under sections 28A, Office of the Under-Secretary-General for Management, 29, Internal oversight, and 35, Staff assessment

Report of the Secretary-General*

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* This report is being issued at this time because of required consultations.

06-64464 (E) 111206

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VII. Organizational structure and post distribution of the Office of the Under-Secretary-General for Management for the biennium 2006-2007 14

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions, in its fifteenth report on the proposed programme budget for the biennium 2006-2007 (A/60/7/Add.14), recommended the deferral of action on the post and non-post resources proposed for the Office of Internal Oversight Services pending the submission of proposals following the detailed review of the Office. The Advisory Committee recommended that resources equivalent to the revised level of the 2004-2005 provision, recosted for 2006-2007, as well as an equivalent of general temporary assistance for 39 positions, as presented in the revised estimates to the proposed programme budget for 2006-2007 (see A/60/537), be provided to the Office. Consequently, non-post resources requested in the proposed programme budget and in the revised estimates were deferred pending the consideration of a comprehensive budget proposal. These interim measures have ensured the continuation of the Office's activities pending the consideration by the legislative bodies of the report of the Office of Internal Oversight Services on proposals for strengthening the Office of Internal Oversight Services (A/60/901).

2. The present document describes changes required to the approved programme budget for 2006-2007 taking into account the information contained in A/60/901. As detailed in that document, the 39 general temporary assistance positions previously approved are proposed for conversion to established posts. A number of required redeployments are also reflected. The converted positions have been distributed across subprogrammes in line with the analysis reflected in A/60/901. Four posts would be redeployed from the Office of Internal Oversight Services to the Office of the Under-Secretary-General for Management to effect the transfer of responsibility for management consulting services, and would be offset by the addition of five regular budget posts to ensure sufficient capacity within the Office of Internal Oversight Services in the area of inspection and evaluation. All post adjustments in the Office of Internal Oversight Services have been effected, through a reduction in general temporary assistance, within the overall resources already approved under the related budget section for the biennium. No new non-post resources for the new converted posts are requested at this time, as such requirements are expected to be dealt with through internal redeployment of funds and to be reported in the context of the second performance report. However, a number of key non-post requirements previously detailed in the proposals for the strengthening of the Office (A/60/901) are incorporated for approval in the present document. While the rationale and justifications for these adjustments are cross-referenced herein, these revised estimates should be considered in conjunction with A/60/6 (Sect. 29) and A/60/901.

3. As a result of these revised estimates, an additional appropriation of $1,308,800 is required, consisting of $601,400 under section 28A, Office of the Under-Secretary-General for Management, $610,000 under section 29, Internal oversight, and $97,400 under section 35, Staff assessment, to be offset by an equivalent amount of income under income section 1, Income from staff assessment, of the programme budget for the biennium 2006-2007.

II. Internal oversight

4. In accordance with paragraph 164 (a) of the 2005 World Summit Outcome, adopted in resolution 60/1, the expertise, capacity and resources of the Office of Internal Oversight Services in respect of audit and investigation should be significantly strengthened as a matter of urgency. Having benefited from the report on the external review of the Office (A/60/883 and Add.1 and 2), which was conducted in conjunction with the General Assembly-commissioned review of governance and oversight in the United Nations, the Office put forward its report on proposals for strengthening the Office (A/60/901), which include the establishment of investigations task forces, reinforcement of inspection and evaluation functions, the transfer of the management consulting function, the eventual transfer of responsibility for the programme performance report and other required changes.

5. Proposals of the Office of Internal Oversight Services for its strengthening were formulated following consideration of experiences, lessons learned, best practices and industry standards in conducting oversight activities, as well as recommendations of the Board of Auditors. In examining the inspection and evaluation functions and the benefits derived from these oversight activities, the need to strengthen evaluation, as described in A/60/73, and reinforce inspection with regard to its approach, methodology and number of staff became evident. The Office proposes to strengthen the functions so that it will be able to produce as many as 11 to 13 inspections, 6 of which relate to peacekeeping operations, 2 compliance reports and 8 to 10 evaluation reports per year. Currently, 2 to 3 inspections and 2 to 3 evaluations are produced. With the responsibility to investigate significant cases of wrongdoing transferred from the Investigations Division to the Office's Procurement Task Force and its Sexual Exploitation and Abuse Task Force, it was deemed appropriate to allocate nine positions to inspection and evaluation from the 27 positions authorized under the outcome document for the regular workload of the Investigations Division. Accordingly, in the current proposal nine additional posts would be dedicated to the inspection and evaluation functions, these posts being allocated out of the 27 general temporary assistance positions initially approved for the Investigations Division (see A/60/901, paras. 68 and 78 and annex III, table 2).

6. Congruent with the recommendation of the external review and as proposed in paragraph 104 of A/60/901, six management consulting posts, four from the regular budget (1 D-1, 1 P-5, 1 P-2 and 1 General Service (Other level)) and two P-4 posts from the peacekeeping support account would be transferred to the Office of the Under-Secretary-General for Management. It should be noted that these posts were originally approved by the General Assembly for the areas of internal audit and evaluation, but have been redeployed over the years in the course of internal restructuring leading to the structure of the Monitoring, Evaluation and Consulting Division. As indicated in paragraph 77 of A/60/901, an Inspection and Evaluation Division will be established comprising two sections, namely, the Evaluation Section and the Inspection Section. The transfer of these posts would be offset by seven additional posts (5 from the regular budget (2 P-3, 2 P-2, 1 General Service (Other level)) and two P-4 posts from the support account) as part of the proposals aimed at the strengthening of the inspection and evaluation functions. With the posts adjustments proposed in the present document, the Division, which would now focus on inspection and evaluation, would have an adequate and efficient management structure. Consequently, the present document does not propose the

replacement of posts transferred out at the D-1 and the P-5 level. Instead, two P-3 and one P-2 posts are required under the regular budget to strengthen overall inspection and evaluation capacity. Peacekeeping support account adjustments would be dealt with in the context of the related budget proposals.

7. Inspections provide the General Assembly and senior managers with objective information, independent analysis and actionable recommendations pertaining to the policies, systems and practices required to maximize the programmatic performance of United Nations entities. Inspection thus complements evaluation in its emphasis on reviewing organizational results-based management (while evaluation has its emphasis on validating the actual results achieved). At the same time, the inspection modality has flexibility to incorporate reviews of different risk dimensions and internal control needs as they change over time. In that regard, it is envisaged that inspections will evolve into multidisciplinary reviews comprising Office of Internal Oversight Services evaluators, auditors and investigators as needed. Strengthening of inspection will enable the Office to increase the frequency with which United Nations entities are subjected to independent oversight from one inspection of an entity every 25 years to a more reasonable ambition of an inspection every 5 years. As such, it will add scope and depth to the oversight role of the Office.

8. To ensure its full independence, the Office of Internal Oversight Services proposed measures in A/60/901 aimed at strengthening its management and operational processes. Among the areas that were identified as requiring improvement are funding arrangements based on a risk-based workplan, and a reformed budget process that would make the Office's funding independent of the Secretariat. Other requirements pertain to human resources management, training, technology and knowledge management and space requirements. Proposals on the foregoing matters presented in paragraphs 48 to 51, 109, 114, 117 and 119 of A/60/901 require extensive discussions and collaboration with various offices in the Secretariat. The Office will launch these projects on the basis of their priority and the availability of resources in due course. With the approval of needed funds proposed in the present revised estimates for training, technology and knowledge management, the Office will be able to embark on these essential strengthening initiatives first.

9. The completion of the formulation of risk-based workplans is anticipated for the end of 2007. Resources required on the basis of such a workplan will be taken into account in revised estimates to the Office's budget for the biennium 2008-2009, which are expected to be submitted by the Office under revised arrangements to the General Assembly at its sixty-third session, in the third quarter of 2008. Consultations on the funding arrangements and the budget process will be carried out promptly, taking into account General Assembly decisions on the proposals contained in A/60/901.

10. The external review recommended that the responsibility for the preparation of the biennial programme performance report of the Secretary-General be transferred to the Department of Management. The Office agrees with this recommendation (see A/60/901, paras. 68-70). Arrangements to ensure the smooth transfer of this function are under discussion, and it is expected that this recommendation will be implemented in the context of the proposed programme budget for the biennium 2008-2009.

11. The post tables in the present document reflect the redistribution and conversion of the 39 general temporary positions, a number of internal redeployments and the adjustments related to the transfer of the management consulting function. As regards extrabudgetary information, it is recalled that the staffing of the Office under the peacekeeping support account has been financed as general temporary assistance pending reconsideration by the General Assembly after its review of reports on oversight and governance. For consistency as regards traditional presentation, and given the pending reconsideration by the General Assembly, the peacekeeping support account staffing has been presented as previously approved for the 2005/06 period, with post changes reflecting already proposed adjustments to the staffing complement approved for that period.

Table 1
Requirements by component and source of funds

(1) *Regular budget*

	Resources (thousands of United States dollars)			*Posts*		
Component	*2006-2007 appropriation*	*Change*	*Total*	*2006-2007 appropriation*	*Change*	*Total*
A. Executive direction and management	1 796.6	400.7	2 197.30	6	3	9
B. Programme of work						
1. Internal audit	12 580.2	(240.0)	12 340.20	41	7	48
2. Inspection and evaluation	5 405.4	878.6	6 284.00	18	12	30
3. Investigations	9 604.8	(593.6)	9 011.20	20	15	35
C. Programme support	1 943.1	164.3	2 107.4	6	3	9
Subtotal	**31 330.1**	**610.0**	**31 940.1**	**91**	**40**	**131**

(2) *Extrabudgetary*

Subtotal	**56 354.6**	—	**56 354.6**	**166**	**22**	**188**
Total, (1) and (2)	**87 684.7**	**610.0**	**88 294.7**	**257**	**62**	**319**

[a] Extrabudgetary information reflects the planned conversion of general temporary assistance to posts under the peacekeeping support account.

A. Executive direction and management

Additional resource requirements: $400,700

12. Resource requirements reflect the strengthening of the Office of the Under-Secretary-General through the addition of three posts ($360,700), and a non-post provision to assist in developing and implementing a training and staff development strategy for the Office of Internal Oversight Services ($40,000). As initially proposed in the programme budget, one P-5 post would be inwardly redeployed from the Internal Audit Division to carry out the essential functions of a Special Assistant to the Under-Secretary-General. In addition, as detailed in paragraphs 98 to 102 of A/60/901, a P-5 and a P-3 post would be added, through conversion from overall general temporary assistance provisions, to augment the capacity of the Office of the Under-Secretary-General in two specific areas. A Legal Officer at the

P-5 level would report directly to the Under-Secretary-General for Internal Oversight Services and ensure the availability of competent legal counsel to enable the Office of Internal Oversight Services to respond properly to the outcome of oversight activities that become subject to legal review and to review reports on an as-required basis. A Programme Officer at the P-3 level would deal with, among other things, the Office's internal and external communications, given the recent growth in the number of the Office's staff and their geographical dispersion.

13. As reflected in paragraph 114 of A/60/901, the Office proposes to develop and implement, with expert assistance, a training and staff development strategy for the Office of Internal Oversight Services that will include a central inventory of staff skills and a related strategy, a career model for the Office's staff with defined career paths, and individualized training programmes. Continuous training of staff is required, particularly in the field of audit, in compliance with the international auditing standards. Equally important is to uphold the quality of the Office's work in other oversight disciplines. Staff training is necessary to maintain quality. Accordingly, an amount of $40,000 is proposed to hire a consultant for three months for the purpose of assisting in the development and implementation of a training and staff development strategy for the Office.

Table 2
Resource requirements

	Resources (thousands of United States dollars)			*Posts*		
Category	*2006-2007 appropriation*	*Change*	*Total*	*2006-2007 appropriation*	*Change*	*Total*
Regular budget						
Post	1 656.2	360.7	2 016.9	6	3	9
Non-post	140.4	40.0	180.4			
Subtotal	**1 796.6**	**400.7**	**2 197.30**	**6**	**3**	**9**
Extrabudgetary	167.3	—	167.3	—	—	—
Total	**1 963.9**	**400.7**	**2 364.6**	**6**	**3**	**9**

B. Programme of work

Subprogramme 1
Internal audit

Additional resource requirements: ($240,000)

14. Conversions from general temporary assistance resources under subprogramme 1 consist of eight posts (1 D-1, 1 P-5, 3 P-4 and 3 P-3) to strengthen audit operations in New York, and a D-1 post to head audit operations based in Nairobi. Resource requirements also reflect the redeployment of a General Service (Other level) post from Internal Audit, New York, to augment Internal Audit, Geneva, and the outward redeployment of a P-5 post to strengthen the Office of the Under-Secretary-General, and a P-3 to strengthen capacity in the Inspection and Evaluation Division, as initially reflected in the proposed programme budget for 2006-2007. Paragraphs 58 to 64 of A/60/901 address in more detail the Internal Audit Division. Non-post requirements reflect a reduction of $833,300 in general

temporary assistance under this subprogramme, partially offset by a provision of $110,000 to provide licensing for 112 audit staff at $985 per staff member per annum to use the Auto-Audit electronic working papers system (see A/60/901, para. 117).

Table 3
Resource requirements

	Resources (thousands of United States dollars)			*Posts*		
Category	*2006-2007 appropriation*	*Change*	*Total*	*2006-2007 appropriation*	*Change*[a]	*Total*
Regular budget						
Post	10 410.8	483.3	10 894.1	41	7	48
Non-post	2 169.4	(723.3)	1 446.1			
Subtotal	**12 580.2**	**(240.0)**	**12 340.2**	**41**	**7**	**48**
Extrabudgetary	45 998.7	—	45 998.7	93	20	113
Total	**58 578.9**	**(240.0)**	**58 338.9**	**134**	**27**	**161**

[a] Extrabudgetary information reflects the planned conversion of general temporary assistance to posts under the peacekeeping support account.

Subprogramme 2
Inspection and evaluation

Additional resource requirements: $878,600

15. Additional resource requirements of $878,600 include the strengthening of subprogramme 2 through the inward redeployment of a P-4 post from the Investigations Division to establish a self-evaluation and learning function and a P-3 post from the Internal Audit Division to increase capacity to carry out inspections, as initially reflected in the proposed programme budget for 2006-2007. Nine posts (1 D-2, 3 P-3, 4 P-2, and 1 General Service (Other level)) are proposed for conversion from overall general temporary assistance provisions for the Office, given the need to strengthen this area (see A/60/901, paras. 65-78).

16. In addition, with the transfer of the management consulting function, four posts (1 D-1, 1 P-5, 1 P-2 and 1 General Service (Other level)) would be transferred to the Office of the Under-Secretary-General for Management. Five posts (2 P-3, 2 P-2, and 1 General Service (Other level)) are proposed as replacements given the overall requirements under this subprogramme in support of the strengthened focus on inspection and evaluation (see A/60/901, paras. 65-78).

Table 4
Resource requirements

Category	Resources (thousands of United States dollars)			Posts		
	2006-2007 appropriation	Change	Total	2006-2007 appropriation	Change	Total
Regular budget						
Post	5 174.5	878.6	6 053.1	18	12	30
Non-post	230.9	—	230.9			
Subtotal	**5 405.4**	**878.6**	**6 284.0**	**18**	**12**	**30**
Extrabudgetary	1 352.0	—	1 352.0	3	—	3
Total	**6 757.4**	**878.6**	**7 636.0**	**21**	**12**	**33**

Subprogramme 3
Investigations

Additional resource requirements: ($593,600)

17. Sixteen posts are proposed for conversion from general temporary assistance, of which eight posts (1 D-1, 4 P-4, 2 P-3 and 1 General Service (Other level)) would be based in New York, while the complement in Vienna would increase by six posts (1 P-5, 4 P-2 and 1 General Service (Other level)) and in Nairobi by two posts (2 P-4). The Investigations Division is addressed in paragraphs 79 to 97 of A/60/901. In addition, two posts (P-5 and P-4) from the investigations office in Vienna would be redeployed to the investigations office in New York, and one P-4 post would be redeployed from the investigations office in New York to the Inspection and Evaluation Division, as initially reflected in the proposed programme budget.

18. As regards non-post resources, the reduction of $1,612,400 reflects a decrease in budgeted general temporary assistance provisions ($1,972,400), partially offset by increased provisions to implement a more comprehensive case management system ($300,000) and for forensic imaging ($60,000), as indicated in paragraph 117 of A/60/901. The case management system is essential to store, manage and monitor all case-related information, including details and status. A new system will provide increased compatibility with powerful tools available in the market and facilitate the extraction of statistical information from the case management database. Its hardware will also improve remote access to the database. Given the large number of cases received by the Division, its current set-up and capacity are insufficient to ensure efficient case management. Forensic imaging would enable the Division to obtain comprehensive data imaging that is critical for probative material, including evidence stored electronically. Currently, the ability of the Division in this regard is limited.

Table 5
Resource requirements

Category	Resources (thousands of United States dollars)			Posts		
	2006-2007 appropriation	Change	Total	2006-2007 appropriation	Change	Total
Regular budget						
Post	5 193.1	1 018.8	6 211.9	20	15	35
Non-post	4 411.7	(1 612.4)	2 799.3			
Subtotal	**9 604.8**	**(593.6)**	**9 011.2**	**20**	**15**	**35**
Extrabudgetary	8 155.8	—	8 155.8	68	—	68
Total	**17 760.6**	**(593.6)**	**17 167.0**	**88**	**15**	**103**

C. Programme support

Additional resource requirements: $164,300

19. Resource requirements reflect three proposed General Service (Other level) posts, through conversion from overall general temporary assistance provisions, to ensure that the Executive Office maintains a capacity to administer increased operations ($144,300). The net increase of $20,000 in non-post provisions reflects requirements for office layout alterations necessary to maximize the use of existing office space for the Office of Internal Oversight Services ($100,000), partially offset by a reduction in general temporary assistance of $80,000. It is anticipated that a total of 2,000 square feet in the four locations of the Office in New York will have to be reconfigured at a cost of $50 per square foot, as part of ongoing efforts to resolve the current shortage of office space.

Table 6
Resource requirements

Category	Resources (thousands of United States dollars)			Posts		
	2006-2007 appropriation	Change	Total	2006-2007 appropriation	Change[a]	Total
Regular budget						
Post	1 445.1	144.3	1 589.4	6	3	9
Non-post	498.0	20.0	518.0			
Subtotal	**1 943.1**	**164.3**	**2 107.4**	**6**	**3**	**9**
Extrabudgetary	680.8	—	680.8	2	2	4
Total	**2 623.9**	**164.3**	**2 788.2**	**8**	**5**	**13**

[a] Extrabudgetary information reflects the planned conversion of general temporary assistance to posts under the peacekeeping support account.

III. Office of the Under-Secretary-General for Management

20. Additional resource requirements of $601,400 under section 28A, Office of the Under-Secretary-General for Management, reflect the transfer of four posts (1 D-1, 1 P-5, 1 P-2, and 1 General Service (Other level)) from the Office of Internal Oversight Services in line with the transfer of the management consulting function. In addition, two P-4 posts funded under the peacekeeping support account would be transferred to the Office of the Under-Secretary-General for Management, and would be reflected in the context of the support account budget proposals. In addition to the post requirements of $589,000, related non-post provisions of $12,400 are required to cover costs for communications, maintenance of office equipment and supplies.

Table 7

Requirements by component and source of funds (section 28A)

(1) *Regular budget*

	Resources (thousands of United States dollars)			*Posts*		
Component	*2006-2007 appropriation*	*Change*	*Total*	*2006-2007 appropriation*	*Change*	*Total*
A. Executive direction and management	5 437.9	—	5 437.9	8	—	8
B. Programme of work						
1. Management services and administration of justice	8 452.0	601.4	9 053.4	16	4	20
2. Services to the Fifth Committee and the Committee for Programme and Coordination	1 354.1	—	1 354.1	5	—	5
C. Programme support	3 809.2	—	3 809.2	17	—	17
Subtotal	**19 053.2**	**601.4**	**19 654.6**	**46**	**4**	**50**
(2) *Extrabudgetary*						
Subtotal	**5 314.9**	**325.8**	**5 640.7**	**8**	**2**	**10**
Total, (1) and (2)	**24 368.1**	**927.2**	**25 295.3**	**54**	**6**	**60**

Subprogramme 1
Management services and administration of justice

Table 8
Resource requirements

	Resources (thousands of United States dollars)			*Posts*		
Category	*2006-2007 appropriation*	*Change*	*Total*	*2006-2007 appropriation*	*Change*	*Total*
Regular budget						
Post	3 944.3	589.0	4 533.3	16	4	20
Non-post	4 507.7	12.4	4 520.1			
Subtotal	**8 452.0**	**601.4**	**9 053.4**	**16**	**4**	**20**
Extrabudgetary	1 332.2	325.8	1 332.2	7	2	9
Total	**9 784.2**	**927.2**	**10 385.6**	**23**	**6**	**29**

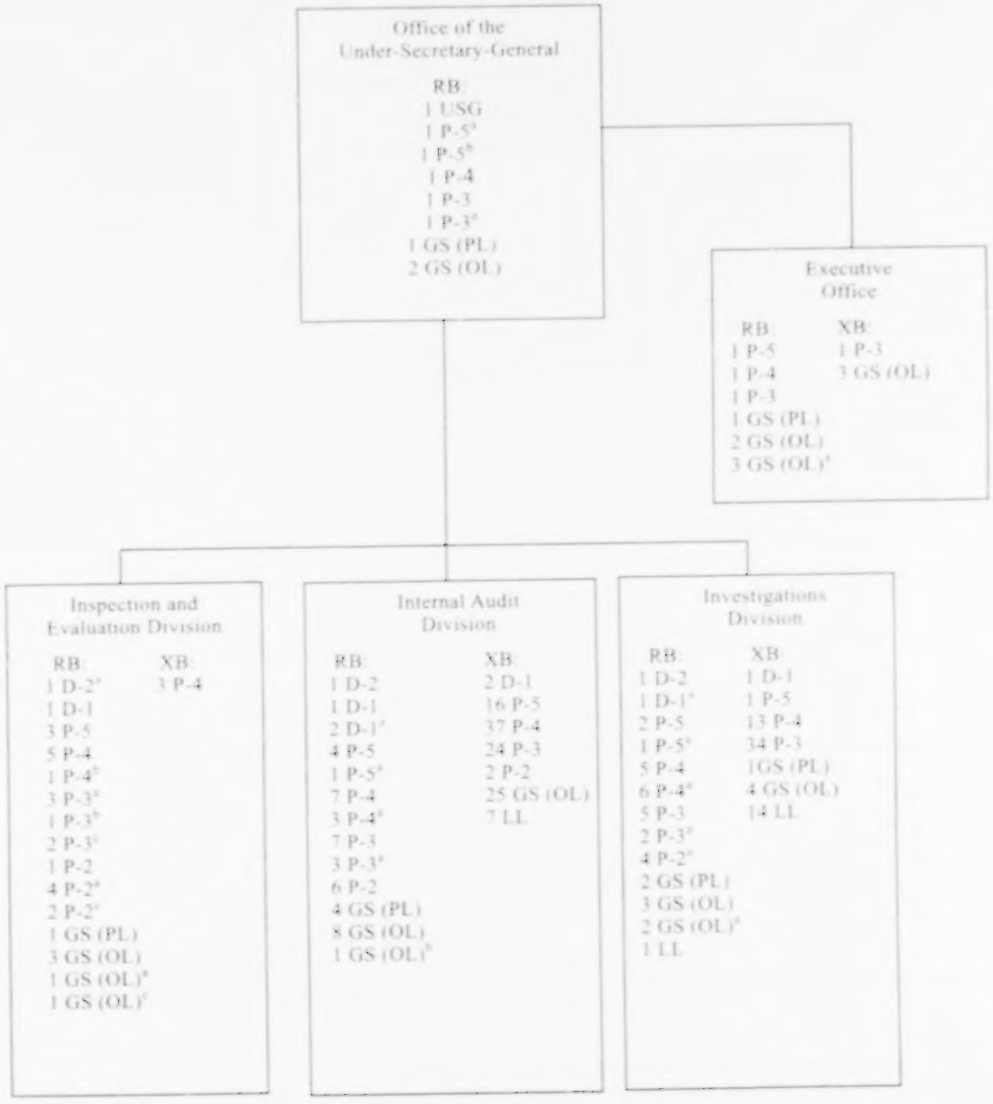
IV. Staff assessment

21. As a result of the post adjustments in the present document, additional requirements amounting to $97,400 arise under section 35, Staff assessment, of the programme budget for the biennium 2006-2007. This amount would be offset by an equivalent amount of income under income section 1, Income from staff assessment.

V. Recommendations

22. **The General Assembly is requested to approve an additional appropriation of $1,308,800, consisting of $601,400 under section 28A, Office of the Under-Secretary-General for Management, $610,000 under section 29, Internal oversight, and $97,400 under section 35, Staff assessment, to be offset by an equivalent amount of income under income section 1, Income from staff assessment, of the programme budget for the biennium 2006-2007.**

VI. Organizational structure and post distribution of the Office of Internal Oversight Services for the biennium 2006-2007



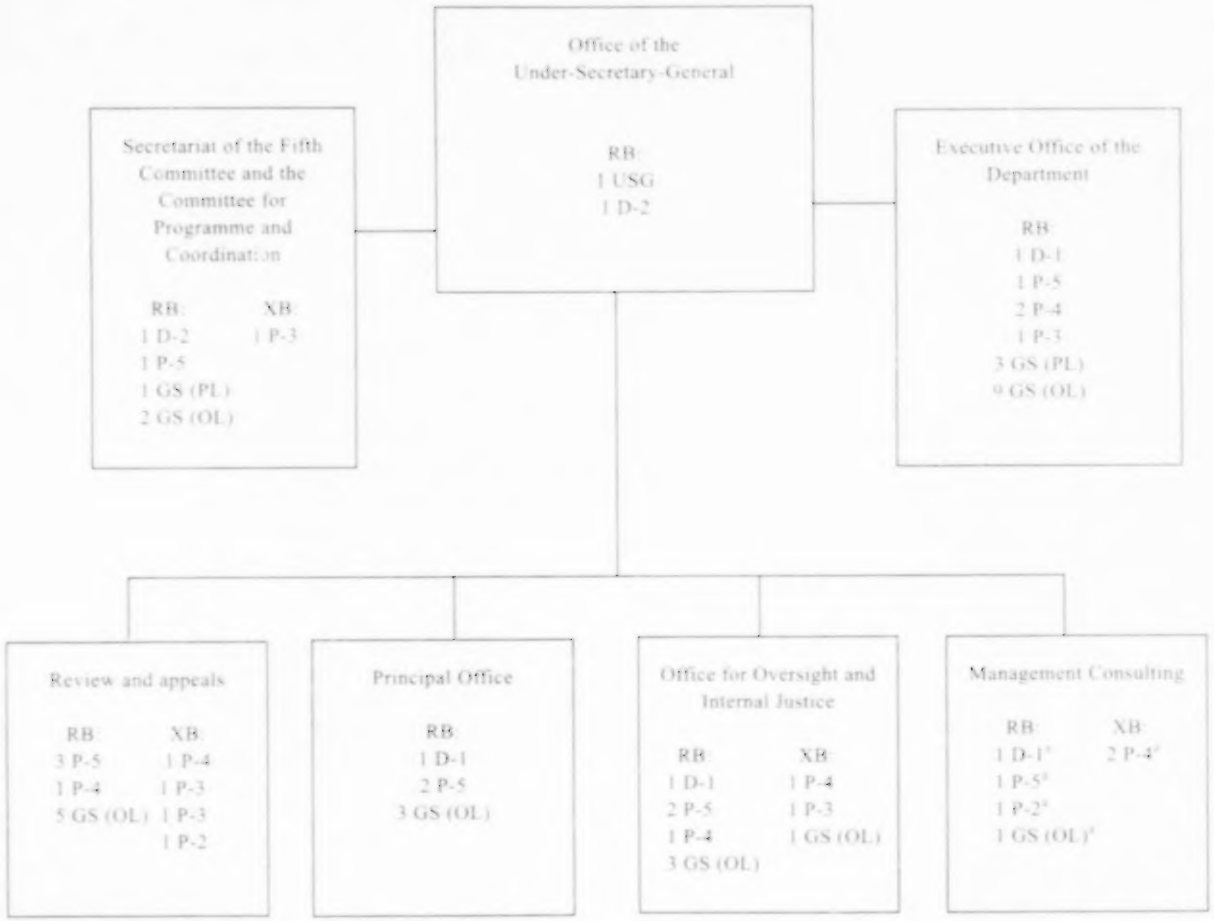
[a] Posts converted from general temporary assistance.

[b] Inward redeployment.

[c] Additional post to replace posts transferred to the Department of Management.

Abbreviations: RB, regular budget; XB, extrabudgetary; USG, Under-Secretary-General; GS, General Service; PL, Principal level; OL, Other level.

VII. Organizational structure and post distribution of the Office of the Under-Secretary-General for Management for the biennium 2006-2007



* Posts transferred from the Office of Internal Oversight Services.

Abbreviations: RB, regular budget; XB, extrabudgetary; USG, Under-Secretary-General; GS, General Service; PL, Principal level; OL, Other level.